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TODAY: MONEY Collectibles, Page 15

Barter Now Replacing the Ruble

Paid in Glass or Shoes, Russians Trade and Sell Them

By David Hoffman
Washington Post Service

GUS-KHRUSTALNY, Russia — Wrapped tightly against chilling winds, Valentina Novikova, a pensioner, stood expectantly at a lonely crossroads outside this old glass- and crystal-making town, her champagne flutes tucked neatly into cardboard boxes, stacked on makeshift birch tables.

"Don't have money for champagne," she said sheepishly, displaying the glasses to passersby under gray skies, hoping to earn a few dollars a week to feed her grandchildren. In felt boots and a padded coat, she often walks miles to the crossroads with a tote bag of crystal. "I don't have much," she sighed.

It is a poignant tableau from a little-understood yet pervasive phenomenon in Russia's disorderly transition to free markets. The glass and crystal sold on the roadside here are the lifeblood of the local economy. Workers are paid in glass, receive their social benefits in glass and must sell the glass to stay alive. The glass has become a kind of substitute money.

The workers and their glass factory are part of a vast transactional web of barter, trading and debt — all using surrogates for the ruble — that by some estimates now accounts for more than half of the Russian economy.

Virtually every sector, every factory and every worker in the country has been touched by the flood of surrogate money. What began a few years ago at a time of runaway inflation has persisted and become even more widespread as inflation has cooled yet industry remained moribund.

From sheet metal to finished cars, from champagne glasses to shoes, goods are traded around Russia in lieu of money.

In Volgograd, workers at the Armina factory decided to go on strike this month, according to the newspaper Izvestia. The reason: Their monthly wage of about $50 is paid in brassieres.

"All our relatives and friends have got them already and we do not know what to do with the rest," a worker lamented. "See for yourself. We are paid in bras at 18,000 rubles each. That makes seven to nine bras a month. That is too many for one woman."

Movie theaters in the Siberian city of Altai started charging two eggs for admission because people had no cash to spare. But the theaters bit a problem in

See BARTER, Page 7

David Hoffman/The Washington Post

A Russian selling glasses — his wages — at the side of the road.

Low U.S. Inflation Fuels Market Hopes

Growth Exceeds Forecasts As Expansion Starts 7th Year

By Mitchell Martin
International Herald Tribune

NEW YORK — The American economy is entering its seventh fat year with few worries that inflation will threaten what is seen as sustainable growth of 2 percent to 3 percent a year, data released Friday showed.

The government issued its fourth-quarter gross domestic product report, which showed faster-than-expected growth of 4.7 percent in the final three months of 1996.

But many analysts said the figure was an aberration, and they concentrated instead on the weak inflation data that were released along with the GDP figures.

The implicit price deflator, a measure of inflation, rose 1.4 percent in the fourth quarter, compared with the 1.7 percent in the previous period.

For all of 1996, the GDP, which measures goods and services produced in the United States, rose 2.5 percent, up from 2 percent in 1995.

The news was warmly greeted by the bond market, and prices of most stocks advanced as well. The low inflation numbers helped confirm the widespread view on Wall Street that the Federal Reserve Board would not raise short-term interest rates when its policy-setting Federal Open Market Committee met next week.

Analysts at Merrill Lynch & Co. said 2.2 percentage points of the fourth-quarter's 4.7 percent GDP growth had resulted from a "huge and unlikely-to-be-repeated" jump in net exports.

They added, "We expect 1997 GDP growth to be in a 2-to-2.5 percent range, around what the Fed considers the economy's noninflationary growth potential to be."

Samuel Kahan, who runs A.S.K. Financial Research Ltd. in Chicago, said that although there were a few surprises in the GDP report, he thought the economy was on track to grow 2 percent to 3 percent a year.

He said exports and a spurt in consumer spending were behind the high economic growth in the quarter, but with so little evidence of inflation, there was no threat to investors.

"Eating isn't bad for you," he said by way of analogy, but "eating too much is bad for you."

If the economy can grow quickly without producing the kind of inflationary pressures that would lead to a boom-and-bust cycle, he said, then there

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AGENDA

Juror in Simpson Case Dismissed

The Associated Press

SANTA MONICA, California — The only black woman on the jury of the O. J. Simpson civil trial was dismissed Friday for concealing the fact that her daughter worked for the office that prosecuted Mr. Simpson two years ago.

Deliberations were ordered to start from the beginning with a new juror, an Asian man in his 30s.

Superior Court Judge Hiroshi Fujisaki gave no reason for the dismissal, which came after a 90-minute closed-door meeting with attorneys.

But sources said the juror was dismissed for allegedly failing to disclose during jury selection that her daughter worked or works as a legal secretary for the district attorney's office, sources said. They said the matter came to the judge's attention in a typewritten letter from the office.

The new panel consists of six women and six men and includes nine whites, one Hispanic, one Asian and a Jamaican-born man of mixed black and Asian parentage.

Meanwhile, attorneys were preparing to scrutinize Mr. Simpson's finances. Page 3.

The Dollar		
New York	Friday close	previous close
DM	1.6388	1.6363
Pound	1.603	1.6135
Yen	121.425	121.855
FF	5.5293	5.523

The Dow		
	Friday close	previous close
-10.77	6813.09	6823.86

S&P 500		
change	Friday close	previous close
+1.99	786.16	784.17

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Page 8.
Mysteries of Ancient Sudan
BUSINESS/FINANCE Page 9.
U.S. and China Close to Textile Pact

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International Classified Page 4.

European Leaders Set Summit With Clinton

WASHINGTON (Combined dispatches) — President Bill Clinton will meet with European leaders in The Hague on May 28 and 29, the White House announced Friday.

On the agenda will be the Helms-Burton law that seeks to regulate other countries' trade with Cuba, Iran and Libya as well as the worldwide fight against terrorism and trade issues, the European Union said in Brussels. *(AP, AFP)*

Chung Sung Jun/Agence France-Presse

ARRESTED — Chung Tae Soo, center, chairman of the Hanbo Group, one of South Korea's largest conglomerates, was charged by prosecutors Friday in connection with the bankruptcy of a subsidiary. Page 13.

In Davos, U.S. Officials Preach the New Gospel

Economic Data Give Them Reason to Boast

By Alan Friedman and Jonathan Gage
International Herald Tribune

DAVOS, Switzerland — Not too many years ago, when much of the industrialized world's political and financial elite gathered here to collect their thoughts and count their blessings, the American economic model was criticized as faded, out of date, even impotent.

The conventional wisdom then was that Europe and Japan had set in motion promising models of long-term investment, based on the engine of exports and generous social benefits, while U.S. corporations were guilty of short-termism and ungenerous treatment of workers.

But on Friday, as word reached delegates attending this year's annual economic conference in this cosseted Alpine enclave that U.S. growth is soaring and inflation has dropped to virtually negligible levels, three of the Clinton administration's leading economic gurus fanned out to spread the gospel of the U.S. model. They also acknowledged some shortcomings.

President Bill Clinton's top economic adviser lauded the latest gross domestic product numbers and forecast five more years of strong growth while saying there was no inflation threat in sight. Stuart Eizenstat, a rising star in the administration who is expected to move from the Commerce Department to the top economic job at the State Department, urged Europe to adopt new pro-growth policies and to introduce sweeping reforms.

"It's fantastic," said Joseph Stiglitz, chairman of Mr. Clinton's Council of Economic Advisers.

"We have the lowest inflation in a decade," he noted, saying that with low consumer price rises, solid investment trends and a very modest increase in employee costs, "for the next year at least there are absolutely no clouds on the horizon."

Mr. Stiglitz, while careful to stress that he was not seeking to influence the Federal Reserve's decision on whether to raise interest rates, nonetheless said there was no reason the U.S. business expansion could not continue for another five years.

"There is no inevitable economic cycle, and we have found in a recent study by the Council of Economic Advisers that cycles don't die of old age," he said, adding that the study also showed that many past recoveries had ended when monetary authorities had "stepped on the brake too hard as a result of an inflationary episode."

Meanwhile, Mr. Eizenstat, undersecretary of commerce for international trade, said that "Europe's problems will not be solved alone by reducing budget deficits."

He said the fiscal tightening linked

See MODEL, Page 10

Questions Are Raised Over Saudi Interest in U.S. Jets

By John Mintz
Washington Post Service

WASHINGTON — The Saudi Arabian military is preparing a request to buy 102 F-16 jet fighters from the United States in a deal worth up to $15 billion, according to industry and diplomatic officials.

Some industry executives and diplomatic officials speculated that the Saudis had timed the purchase application to calm administration and congressional anger over what the Justice Department has called the kingdom's lack of cooperation in the investigation into the truck bombing that killed 19 American airmen there in June.

Attorney General Janet Reno and the director of the Federal Bureau of Investigation, Louis Freeh, complained last week that Saudi officials had not been sharing results of their investigation into the Khobar Towers bombing in Dhahran.

Israel may object to such a sale, arguing that it violates the U.S. commitment to maintain the Jewish nation's qualitative edge in military hardware over its Arab neighbors, according to American sources familiar with Israel's views.

"We were informed about a possible future deal," Gadi Baltiansky, an official at the Israeli Embassy in Washington, said Thursday. "We're learning the possible implications of such a deal."

Other objections may come from some American officials, who contend that such Saudi purchases divert resources from social programs needed to help preserve domestic stability.

And some officials at the Pentagon argue that the Saudis should modernize their army rather than spend billions more on their already potent air force.

Buying more U.S. weapons also leads to more American contractors and military personnel working in Saudi Arabia, which stirs up anger among fundamentalist Muslims and could threaten the government.

The deal, if consummated, would be a

See SAUDIS, Page 7

Ex-Wife Is Held in Gucci Murder

By John Tagliabue
New York Times Service

MILAN — This elegant gray lady of a city may be the fashion capital of Italy, but the Guccis were Florentines, a family of such power and refinement that they were often compared to the Florentine dynasty of the Medicis.

Yet years of family feuding brought down the great dynasty, whose patriarch, Guccio Gucci, founded the family leather-goods and fashion house in the Tuscan capital in the early years of this century.

The cruel epilogue came in March 1995, when Maurizio Gucci, grandson of Guccio Gucci and the last family member to sell out an interest in the company, was shot to death outside his office here.

Friday, the police announced that they had solved the mystery.

In an apartment along the fashionable Corso Venezia, officers took into custody Patrizia Reggiani Martinelli, 49, the former wife of Mr. Gucci, and in a town near Naples, the police detained Giuseppina Auriemma, 51, a boutique owner and a woman who had a reputation in Milanese salons for her abilities as a medium. She was said to have occasionally advised Mr. Gucci and later Ms. Reggiani.

Police officials told reporters that when Ms. Reggiani — whom the Italian papers often liken to Elizabeth Taylor for her dark, vivid eyes — was asked whether she knew why they had come, she replied calmly, "Yes. For the death of my husband."

Angered over Mr. Gucci's failure to comply with agreements on support payments, the police said, Ms. Reggiani in late 1994 used Ms. Auriemma to contact a man who was also arrested Friday — a Milan hotel porter with a criminal record named Ivano Savioni, 40.

Mr. Savioni was accused of engaging two acquaintances, Benedetto Ceraulo, 35, who was likewise arrested Friday, and Orazio Cicala, 58, who is in jail in nearby Monza on drug charges.

In the early hours of March 28, 1995, while Mr. Cicala waited in a car, Mr. Ceraulo shot Mr. Gucci twice from behind, then twice in the face at close range, the police said.

For their services, Ms. Reggiani is said to have paid

See GUCCI, Page 7

Sergio Pemtoriero/The Associated Press

Patrizia Reggiani Martinelli leaving police headquarters on Friday after she was charged.

In Syria's Long Shadow, Lebanon's Liberties Fade

By John Lancaster
Washington Post Service

BEIRUT — Pierre Atallah, 35, is an experienced newspaper reporter who has covered conflicts from southern Lebanon to Nagorno-Karabakh. Somewhere along the way, he made some powerful enemies. One night last month, as Atallah was arranging his book collection, Lebanese intelligence agents showed up on his doorstep and told him he was under arrest.

"I asked them for an order from the government," Mr. Atallah recalled in an interview. "They said they didn't have one."

Shuttled between jail cells for 15 days, he eventually was charged with the distribution of leaflets opposing the Syrian military presence in Lebanon and conducting an interview with the leader of a pro-Israeli militia in southern Lebanon. He faces up to 10 years in prison if convicted.

In much of the Arab world, where police states are the norm, the arrest of a journalist on sedition charges would hardly raise an eyebrow. But Lebanon, with its famously outspoken press and tradition of relative openness, is different. At least, it used to be.

Lebanon now is dominated by Syria and eager to nurture good relations with oil-rich Gulf states, which are viewed as critical to rebuilding the war-ravaged nation. Hence, it is curbing many of the freedoms that once distinguished it from

See LEBANON, Page 7

Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Riels
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1.250 JD	U.S. Mil. (Eur.)	$1.20

$4 Billion Later, IRS Admits Its New Computer System Is a Mess

By David Cay Johnston
New York Times Service

WASHINGTON — The Internal Revenue Service has conceded that it spent $4 billion developing modern computer systems that a top official says "do not work in the real world," and it is proposing to contract out the processing of paper tax returns filed by individuals. That would allow nongovernment workers to see confidential information about the incomes of individual Americans.

Arthur Gross, an assistant commissioner of internal revenue appointed 10 months ago to rescue the agency's efforts, said Thursday that customer service representatives must use as many as nine different computer terminals, each of which connects to several different databases, to resolve problems.

"Dysfunctional as some of these systems may be today," Mr. Gross said, the IRS "is wholly dependent on them" to bring in the $1.4 trillion of taxes that finance the government. He expressed doubt that the agency was capable of developing modern computer systems, saying it lacked the "intellectual capital" for the job.

The proposal to contract out the processing of paper tax returns would save little money, as it costs only $34 million for clerks to extract information from 200 million paper tax returns and enter it into IRS computers. But such a move is sure to arouse protests from taxpayers.

The Government Accounting Office has sharply criticized the IRS's administration of the modernization project, but Mr. Gross's comments marked the first time that the agency said it would have to scrap the project altogether and start over.

His admission that the Tax Systems Modernization effort had failed came in testimony before the National Commission on Restructuring the IRS, a bipartisan panel. The panel is expected to press for a different approach and to recommend innovative ways to persuade more Americans to file their returns electronically.

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Not Working but Not Fired: In Spain, the Unemployment Limbo

By Craig R. Whitney
New York Times Service

ALCORCON, Spain — Last September, the electrical-equipment company where Jose Tabanera had worked for 24 years gave him his last pay envelope.

The company neither dismissed him nor disappeared into bankruptcy. Instead, it consigned Mr. Tabanera and 60 other employees, most of them in their mid-50s, to a peculiarly Spanish kind of limbo where nobody knows for sure how many people are unemployed, but everybody knows it's too many.

With either 21.8 percent or 13.8 percent of the labor force unemployed, depending on which set of official figures is used, Spain has more jobless people than any other Western European country. The conservative minority government says the strict labor laws that the country has as a legacy of about 35 years of fascist dictatorship and more than a decade of subsequent socialist governments discourage employers from taking on new workers.

Prime Minister Jose Maria Aznar's government argues that Spain cannot function in a competitive global economy or take full advantage of the common European currency that is planned for 1999 without labor legislation that gives employers and foreign investors more flexibility.

It is hoping that talks under way between labor unions and employers will produce suggestions for acceptable change.

"The government will probably wait two or three months before deciding what to do," said Jordi Pujol, the Catalan regional leader.

He said he agreed that change was as necessary as the budget-deficit cuts and lower interest rates that the government is encouraging to permit Spain to take part in the common European currency.

American-style layoffs and job-switching do not appear to be in the cards for Spain, said Nicolas Franco, a businessman and a nephew of the late dictator Francisco Franco.

He said longer temporary contracts that gave small, mobile companies more freedom to lay off employees for two years or so would help, and would "give young people more security."

In more turbulent times, Generalissimo Franco's government decreed that workers would basically have their jobs for life. After his death in 1975, democratic Spain, like most of its Continental European counterparts, wrote job security into social legislation.

Mr. Aznar's predecessor as prime minister, the Socialist Felipe Gonzalez, modified the law to allow companies to bypass severance-pay requirements by hiring younger workers on short-term contracts. Companies do not have to give these workers severance pay when the contracts expire.

One result has been the creation of short-term jobs, about 250,000 last year alone.

But insecurity about how long they will last adds to the confusion in the labor markets, economists say.

"The official unemployment figures are higher than the real ones," said Professor Amando de Miguel, a sociologist who does consulting in market research.

One of Spain's official unemployment figures — the higher one — is based on answers to questions asked of a sample of job applicants at government employment offices.

"People lie," said Carmen Alcaide, an economist for the Banco Bilbao Vizcaya.

The government also reports the number of people actually registered and collecting unemployment benefits — 2.2 million people in December, or 13.8 percent, a figure not so far out of line with the European Union average of 11 percent, she said.

Almost everybody these days has a relative who is out of work or looking for it. Jobless students, such as Mr. Tabanera's daughter, often live with their parents into their late 20s.

One of Mr. Tabanera's two daughters, Ana Tabanera Mambrilla, said she believed that her father's employer, Conymon 2000 SA, was trying to pressure him into quitting so it would not have to make the legally required severance payments.

"Then they could hire younger workers on short-term contracts and pay them less," she said.

"If companies can dismiss old people and pay young people nothing, what have we been working for?" asked Mr. Tabanera, 55, an electrical-equipment installer.

Yeltsin Resists Changes to Constitution

Russian President's Illness Raises Questions About His Broad Powers

By David Hoffman
Washington Post Service

MOSCOW — President Boris Yeltsin on Friday poured cold water on the idea of amending the 1993 Russian Constitution after several weeks of speculation about changes, spurred by his prolonged health problems.

Mr. Yeltsin, who will be 66 on Saturday, relayed his views through his press secretary, Sergei Yastrzhembsky, who said the president "cannot agree to such proposals" and believes the constitution "has proved its workability and played a stabilizing role."

Although the chances of amending the constitution seem remote, the discussion about it is a sign of the continuing worry in political circles here about Mr. Yeltsin's lengthy absence. Mr. Yeltsin, now recovering from pneumonia, has effectively not begun his second term, to which he was elected last year, because of illness.

[President Bill Clinton will meet Prime Minister Viktor Chernomyrdin of Russia next Friday to discuss plans for the U.S.-Russian summit meeting scheduled for March, a White House official said Friday, Agence France-Presse reported from Washington.

[The official, speaking anonymously, also said the White House was confident that Mr. Yeltsin was well on the way to recovery and could attend a meeting in the next few weeks.

["All indications are that his recovery continues," the official said, noting that "we don't see a problem" if the summit meeting is pushed back to early April.]

The constitution, written after the October 1993 confrontation between Mr. Yeltsin and parliamentary hardliners, gives the president broad powers.

In addition, Mr. Yeltsin's critics, and some of his allies, have suggested amending the constitution to better define the process of succession. The document leaves open the question of how to remove an incapacitated president. Nor is there a second-in-command like a vice president. The document simply calls for the prime minister to become president for three months, and new elections to be held.

Much of the recent speculation has overtly political motives. Mr. Yeltsin's absence has raised the specter of another power struggle and possible election this year. Polls show that the most popular politician in the country today is the charismatic, authoritarian Alexander Lebed, a retired general, and the prospect that he could win an election has unsettled the leadership.

Thus, some of Mr. Yeltsin's allies have suggested trying to head off an election by amending the constitution so that the prime minister, now Mr. Chernomyrdin, would serve out Mr. Yeltsin's term if the president could not. The Communists have also pondered creating a vice presidency, in hopes that they might win the spot.

The unspoken assumption is that Mr. Yeltsin is too sick to serve out his four-year term. Since Mr. Yeltsin is so all-powerful, at least on paper, his absence has led to an acute sense of drift, and structural reforms have all but stopped.

But amending the constitution is not a simple process. It would require approval by all 89 regions and both houses of Parliament.

"It's easier to teach crocodiles to fly than to change this constitution," Grigori Yavlinsky, head of the Yabloko bloc in Parliament, said recently.

Lori Chiang/Reuters

DARKENING STALEMATE — Policemen guarding the Japanese ambassador's residence in Lima on Friday; 72 hostages were still being held by rebels as President Alberto Fujimori left for Toronto for talks with Prime Minister Ryutaro Hashimoto of Japan.

IN MEMORIA

To Peter Paul Gräff

We say goodbye with tears to our Father, Friend, Uncle, Lover and Comrade.

When my beloved died,
all the monsters came out
[from somewhere,
I stopped them with a gesture
[of my hand.
"Not yet," I said,
"I cannot die yet -
leave me time to mourn."
My holy grief kept them
[at a distance.
They formed a circle all
[around me.
Together we knelt down,
they folded their paws and
[claws in prayer
and entangled their tails.
While I was weeping bitter
[streams,
every monster shed a tear
for you, my dearest dear.
Finally exhausted,
I laid my body down -
longing for death, my
[soothing friend,
when a kind and poisonous
[snake
crept towards me
and bit my neck tenderly.
I fainted and had no pain.
They all nibbled to clear my
[corpse away,
and then the soul was free.
I got up, leaving my earthly
[prison here.
I must go now to the lower
[fields,
to find the pure black river
and kneel by the edge of the
[stagnant water
Within it's magic mirror,
at long last,
I will find you again.
We will stay together
forever, my love - forever . . .

Eike Pulwer, Astrid Frank
Corin Pulwer Gräff
Yamuna Devi Sharma
Nandini Bala
Saraswathy Fey

Congressman Frank Tejeda Dies

The Associated Press

SAN ANTONIO — Representative Frank Tejeda, a Texas high school dropout who later earned distinction on the battlefields of Vietnam and on Ivy League campuses, died Thursday night at his home. He was 51.

The Democrat, a former Marine, died of pneumonia, his office said, a complication from the surgery, radiation and chemotherapy treatments he had undergone in battling a brain tumor since 1995.

After Mr. Tejeda earned a high school equivalency certificate in the military, he graduated from St. Mary's University in San Antonio and earned graduate degrees from the University of California at Berkeley, from Harvard and from Yale.

He served in the Texas Legislature, then breezed to victory in 1992 in a Hispanic-majority congressional district that runs from San Antonio to the Rio Grande.

He established a reputation in Congress as a staunch defender of veterans, active-duty personnel and military installations.

Mollie Panter-Downs, 90, London Correspondent

Mollie Panter-Downs, 90, whose wartime reports in the "Letter From London" column in The New Yorker were known to American readers, died Jan. 22 in a nursing home near Godalming, England, near her home at Haslemere.

She had a 47-year career with the magazine. Her first Letter From London appeared Sept. 9, 1939, eight days after World War II broke out. Her letters covered political, social and day-to-day activities from egg shortages to the war over the Falkland Islands in 1982.

Dr. Josef Svejcar, 99, a Czech pediatrician who wrote extensively on childhood illness, has died of natural causes, according to a CTK news agency report Friday.

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Correction

An article Friday gave an incorrect date for an agreement in which NATO declared that the existence of nuclear weapons in the United States, Britain and France added credibility to Western deterrence. The year was 1974.

TRAVEL UPDATE

U.S. Issues Warning On Hamas Bombings

JERUSALEM (WP) — The U.S. State Department has warned that the militant Islamic group Hamas could resume bombings in Israel and possibly include Americans among its targets, following the decision by a senior leader of the organization to drop his fight against extradition to Israel from the United States.

The State Department said its diplomats were "taking appropriate security precautions," and it advised Americans abroad "to exercise greater than usual caution in their activities."

"We cannot discount the possibility of random acts of anti-American violence," it said.

The Islamic Resistance Movement, known as Hamas, has issued new threats against Israel and against "all the Americans who have interests in the Arab and Muslim world."

India Urged to Create Aviation Regulator

NEW DELHI (AFP) — Leading Indian aviation experts warned Friday of more air disasters unless the government acts quickly following a midair collision here last year that killed 349 people.

The experts called for an independent body to regulate air traffic, upgrade flight safety and enforce guidelines for "zero-error skill" in the industry.

A Saudi 747 airliner collided with a Kazakstani plane in November near New Delhi. There were no survivors.

Air Marshall A. M. Sahul, a former chairman of the National Airports Authority, said at a meeting organized by an aviation industry forum that India's aviation policy was flawed.

"Development of Indian airports has been absolutely haphazard until recently," he said. A former civil aviation secretary, S. S. Sidhu, said Indian air traffic controllers were under too much pressure.

He said there had been "four very near-misses in the sky" since the November tragedy. "This should make us sit up and take notice," he added.

Tokyo-Haneda Airport To Stay Open 24 Hours

TOKYO (AFP) — One of three runways at Tokyo-Haneda airport will soon be open 24 hours a day for charter flights and business jets, the Transport Ministry said Friday, according to Asahi Shimbun.

The airport, principally used for flights within Japan, is now open from 6 A.M. to 11 P.M.

Foreign companies have asked the Japanese aviation authorities to allow business jets to land at the airport, which is closer to the capital than the main airport, Narita International.

Train services were disrupted in Portugal on Friday by a one-day strike by workers who were protesting the restructuring of the money-losing state railway, CP-Caminhos de Ferro Portugueses. The union said about 5,000 workers, including some engineers, had joined the strike, representing 70 percent of the membership. *(Reuters)*

BRIEFLY

Belgian Soldier Killed in Croatia

ZAGREB, Croatia — A Belgian corporal was fatally shot Friday and a Jordanian soldier and a UN official were wounded near UN headquarters in the last Serb-held area in Croatia.

An unidentified suspect was arrested after the shooting in Vukovar, a UN spokesman, Philip Arnold, said. The injured were taken to a hospital, he said. Officials declined to give any more details.

The Belgian is the first member of the UN international force to be shot to death in Serb-held eastern Slavonia since January 1996, when the United Nations began supervising the restoration of Croatian rule there. *(AP)*

U.K. Defense Firms Hit a Sales Record

LONDON — The British defense industry captured a quarter of the world arms market in 1996 with record sales of £5.1 billion ($8.2 billion), second only to the United States, the government said Friday.

Defense Procurement Minister James Arbuthnot termed the figure a "remarkable achievement for British industry," one that would bolster the country's share of the world market to a record 25 percent, up from 16 percent in 1994 and 19 percent in 1995.

The rise in the value of sales between 1995 and 1996 was only about £100 million; the greater market share resulted in part from a shrinking world market. *(AFP)*

Ailing Tudjman To Seek Re-Election

ZAGREB, Croatia — President Franjo Tudjman, reported to be suffering from incurable stomach cancer, said Friday that he planned to run in the country's next presidential election due this year.

"If you ask me if I will run for another presidential term, the answer is yes," Mr. Tudjman, 74, said in a televised interview with CNN. He said speculation about his health had been exaggerated.

"My state of health is satisfactory, and it is improving very well," Mr. Tudjman said. "I can not only perform my presidential duties without difficulties, but I also enjoy playing tennis."

Political analysts and diplomats in Zagreb have speculated that Mr. Tudjman will step down before the election, due in June or July. He was treated in a U.S. military hospital near Washington in November for what U.S. diplomats said was terminal stomach cancer. *(Reuters)*

For the Record

A complaint filed by Gerry Adams, the leader of the Irish Republican Army's political wing Sinn Fein, against London's refusal to allow him into Britain in 1993 was rejected by the European Commission on Human Rights in Strasbourg. *(Reuters)*

RELIGIOUS SERVICES

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CROSSROADS INTERNATIONAL CHURCH Interdenominational & Evangelical Sunday Service 10:00 a.m. & 11:30 a.m./ Kids Welcome. De Cuserstraat 3, S. Amsterdam Info. 020-641 8812 or 020-6451 659.

FRANCE/TOULOUSE

HOPE INTERNATIONAL CHURCH (Evangelical). 4, bd. de Plbrac, Colomier. Sunday service. 6:30 p.m.Tel.: 05 62 74 11 55.

FRENCH RIVIERA/CÔTE D'AZUR

NICE: Holy Trinity (Anglican), 11 rue Bulla, Sun. 11; **VENICE:** St Hugh's, 22, av. Résistance, 9 a.m. Tel 33 04 93 87 19 83.

MONTE CARLO

MONACO CHRISTIAN FELLOWSHIP Worship Service, Sundays: 11 a.m. 9, rue Louis Notary, Monte Carlo. Tel.: 377 92 16 56 47.

MUNICH

INTERNATIONAL COMMUNITY CHURCH. Evangelical Bible Believing services in English 4:30 p.m. Sundays at Enhuberstr. 10 (U2 Theresienstr.) (089) 850-8617.

PARIS and SUBURBS

EMMANUEL BAPTIST CHURCH - An evangelical church in the western suburbs, all are welcome. 9:45 First Service concurrent with Sunday School, 11:00 Second Service with Children's Church. French Service 6:30 p.m. 56, rue des Bons-Raisins, 92500 Rueil-Malmaison. For info, call 01 47 51 29 63.

HOPE INTERNATIONAL CHURCH Hotel Orion at Paris-la-Défense, 8 bd. de Neuilly. Worship Sundays 9:30 a.m. Rev. Douglas Miller. Pastor. Tel.: 01 43 33 04 06. Métro 1 to la Défense Esplanade.

SAINT JOSEPH'S CHURCH (Roman Catholic). MASS IN ENGLISH: Sat. 6:30 p.m.; Sun. 9:45, 11:00 a.m., 12.15, 6:30 p.m. 50, avenue Hoche, Paris 8th. Tel.: 01 42 27 28 56. Metro: Charles de Gaulle - Etoile

TOKYO

ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Iidabashi Sta. Tel., 3261-3740. Worship Service: 9:30 a.m. Sundays.

TOKYO UNION CHURCH, near Omotesando Subway Sta. Tel: 3400-0047. Worship Services: Sunday - 8.30 & 11.00 a.m., SS at 9:45 a.m.

SWITZERLAND

BASEL CHRISTIAN FELLOWSHIP English-Speaking non-denominational. Tel. +41 61 302 1674, Sundays 10:30 Mittlere Strasse 13, CH-4056 Basel.

ZURICH-SWITZERLAND

ENGLISH-SPEAKING CATHOLIC MISSION; St. Anton Church, Minervastraße 63, near Kreuzplatz. Services conducted in English. Sunday Mass: 8:30 a.m. & 11:30 a.m. Services held in the crypt of St. Anton Church.

THE EPISCOPAL CHURCHES OF EUROPE (Anglican)

PARIS and SUBURBS

THE AMERICAN CATHEDRAL OF THE HOLY TRINITY, Sun. 9 & 11 a.m., 10:45 a.m. Sunday School for children and Nursery care. Third Sunday 5 p.m. Evensong. 23, avenue George V, Paris 75008. Tel.: 33-01 53 23 84 00. Metro: George V or Alma Marceau.

FLORENCE

ST. JAMES' CHURCH, Sun. 9 a.m. Rite I & 11 a.m. Rite II. Via Bernardo Rucellai 9, 50123, Florence, Italy. Tel.: 39/55 29 44 17.

FRANKFURT

CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Ranz St. 22, 60323 Frankfurt, Germany, U1, 2, 3 Miquel-Allee. Tel: 49/69 55 01 84.

GENEVA

EMMANUEL CHURCH, 1st & 3rd Sun. 10 a.m. Eucharist: 2nd & 4th Sun. Morning Prayer. 3 rue de Monthoux, 1201 Geneva, Switzerland. Tel.: 41/22 732 80 78.

MUNICH

THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School. Nursery Care provided. Seybothstrasse 4, 81545 Munich (Haritaching), Germany. Tel.: 49/89 64 81 85.

ROME

ST. PAUL'S WITHIN-THE-WALLS, Sun. 8:30 a.m. Holy Eucharist Rite I; 10:30 a.m. Choral Eucharist Rite II; 10:30 a.m. Church School for children & Nursery care provided; 1 p.m. Spanish Eucharist. Via Napoli 58, 00184 Rome. Tel.: 39/6 488 3339 or 39/6 474 3569

BRUSSELS/WATERLOO

ALL SAINTS' CHURCH, 1st Sun. 9 & 11:15 a.m. Holy Eucharist with Children's Chapel at 11:15. All other Sundays: 11:15 a.m. Holy Eucharist and Sunday School. 563 Chaussée de Louvain, Ohain, Belgium. Tel. 32/2 384-3556.

WIESBADEN

THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. Family Eucharist. Frankfurter Strasse 3, Wiesbaden, Germany. Tel.: 49/611.30.66.74.

EUROPEAN BAPTIST CONVENTION

BERLIN

I.B.C., BERLIN. Rothenburg Str. 13, (Steglitz). Sunday, Bible study 10.45, worship Service 12.00 noon. Charles Warford, pastor. Tel.: 030-774-4670.

BREMEN

I.B.C., Hohenlohestr. Hermann-Böse-Str. Worship Sun. 17:00, Pastor telephone: 04791-12877.

BUCHAREST

I.B.C., Strada Popa Rusu 22. 3:00 p.m. Contact Pastor Mike Kemper, Tel. 312 3860.

BUDAPEST

I.B.C., meets at Morics Zsigmond Gimnazium, Torokvesz ut 48-54, Sun. 10:00. Tel. 250-3932.

BULGARIA

I.B.C., World Trade Center, 36, Drahan Tzankov Blvd. Worship 11:00. James Duke, Pastor. Tel.: 669 666.

FRANKFURT

INTERNATIONAL CHRISTIAN FELLOWSHIP, Sodenerstr. 11-18, 63150 Bad Homburg. A friendly, Christ-centered, church serving the English-speaking community. Sunday Worship, S.S. & Nursery 09:45. Weekday Groups. Pastor: M.P. Levey. Call 06173-62728.

BETHEL I.B.C. Am Dachsberg 92 (English), Worship Sun. 11:00 a.m. and 6:00 p.m. Tel.: 069-549559.

HOLLAND

TRINITY INTERNATIONAL invites you to a Christ centered fellowship. Services: 9:00 and 10:30 a.m. Bloemcampiaan 54, Wassenaar 070-517-8024 nursery prov.

NICE - FRANCE

I.B.C. 13 rue Vernier, English service, Sunday evening 18:30, pastor Roy Miller - Tel.: (04 93) 32 05 86.

ASSOC. OF INT'L CHURCHES

BERLIN

AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel.: 030-8132021.

FRANKFURT

TRINITY LUTHERAN CHURCH, Nibelungenallee 54, Sun. Worship 11 a.m. Tel. 069/55631086 or 512552.

GENEVA

EV. LUTHERAN CHURCH 20 rue Verdaine. Sunday worship 9:30. In German 11:00 in English. Tel: (022) 310.50.89.

JERUSALEM

LUTHERAN CHURCH of the Redeemer, Old City, Muristan Rd. English worship Sun. 9 a.m. All are welcome. Tel.: (02) 6281-049.

PARIS

AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

VIENNA

VIENNA COMMUNITY CHURCH. Sunday worship in English 11:30 A.M., Sunday school, nursery, international, all denominations welcome. Dorotheergasse 16, Vienna 1.

ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery, Sundays 11:30 a.m., Schanzengasse 25. Tel.: (01) 2625525.

PRAGUE

I.B. FELLOWSHIP, Vinohradska # 68, Prague 3. Sun. 11:00. Tel.: (02) 311 7974.

WATERLOO

WATERLOO BAPTIST FELLOWSHIP Sun. 19:00 at Swedish Church, across from MacDonalds, Tel.: (02) 353 1585.

ZURICH - SWITZERLAND

I.B.C of Zürich, Gheistrasse 31, 8803 Rüschlikon, Worship Services Sunday mornings 10:30. Tel.: 1-4810018.

WEATHER

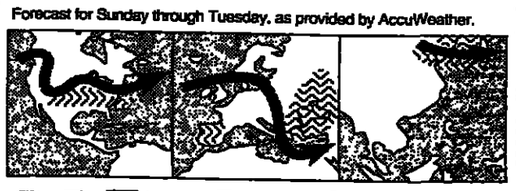
Europe

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Algarve	19/66	13/55 c	17/62	10/50 sh
Amsterdam	4/39	0/32 s	4/39	1/34 c
Ankara	1/34	-11/13 sn	-7/20	-13/9 pc
Athens	11/52	4/39 c	6/43	-2/29 pc
Barcelona	13/55	8/46 c	11/52	8/46 r
Belgrade	-3/27	-12/11 pc	-4/25	-9/16 pc
Berlin	0/32	-4/25 pc	2/35	-2/29 pc
Brussels	6/43	1/34 s	6/43	2/35 c
Budapest	-5/24	-9/16 pc	-4/25	-7/20 pc
Copenhagen	5/41	-3/27 pc	2/35	-1/31 pc
Costa Del Sol	20/68	11/52 pc	17/62	9/48 c
Dublin	9/48	6/43 c	6/43	4/39 pc
Edinburgh	6/43	3/37 c	5/41	2/35 pc
Florence	7/44	-2/29 pc	7/44	1/34 pc
Frankfurt	-2/29	-7/20 pc	1/34	-4/25 pc
Geneva	7/44	-2/29 s	5/41	1/34 sh
Helsinki	-9/16	-9/16 pc	1/34	-5/24 c
Istanbul	2/37	-5/22 sf	-2/29	-9/16 pc
Las Palmas	24/75	19/66 c	25/77	18/64 pc
Lisbon	17/62	12/53 sh	14/57	10/50 r
London	8/46	4/39 pc	8/46	3/37 pc
Madrid	16/61	7/44 c	13/55	6/43 sh
Mallorca	11/52	9/48 r	10/50	8/43 r
Milan	6/43	-4/25 s	4/39	0/32 pc
Moscow	-7/20	-11/13 sn	-9/16	-11/13 sn
Munich	1/34	-7/20 pc	3/37	-4/25 pc
Nice	13/55	3/37 s	11/52	1/34 pc
Oslo	4/39	-7/20 c	-1/31	-9/22 sn
Paris	3/37	-2/29 pc	6/43	1/34 pc
Prague	-3/27	-8/18 pc	1/34	-4/25 pc
Reykjavik	4/39	-5/22 c	-2/29	-3/27 sn
Rome	11/52	-1/31 s	9/48	0/32 s
St. Petersburg	-9/16	-12/11 c	-1/31	-3/27 sf
Stockholm	2/35	-4/25 c	1/34	-4/25 pc
Strasbourg	4/39	-2/29 pc	6/43	0/32 pc
Tallinn	-8/18	-9/16 pc	1/34	-4/25 c
Vienna	4/39	-4/25 pc	4/39	-2/29 pc
Vilnius	-3/29	-7/20 pc	0/32	-4/25 pc
Warsaw	-3/27	-8/18 c	-1/31	-5/24 c
Zurich	3/37	-3/27 s	3/37	-1/31 pc

Middle East

Abu Dhabi	22/71	11/52 pc	22/71	11/52 s
Beirut	10/50	5/41 pc	13/55	8/48 sh
Cairo	17/55	3/37 s	16/61	6/43 s
Damascus	6/43	-4/25 s	9/48	0/32 s
Jerusalem	6/43	-3/27 pc	8/48	1/34 s
Luxor	20/68	2/36 s	21/70	3/37 s
Riyadh	19/66	7/44 s	20/68	7/44 s

Forecast for Sunday through Tuesday, as provided by AccuWeather.



Jetstream | Unseasonably Cold | Unseasonably Mild | Heavy Rain | Heavy Snow

North America
Mild air will cover the southern tier of the United States, from the Southwest to Southeast, as well as reaching northward into the Great Lakes and mid-Atlantic states. Close to normal elsewhere with no major storms, but unsettled from the southern Rockies to southern Plains.

Europe
Cold will cover southeastern Europe and Turkey through Monday, then some moderation Tuesday. Northwestern Europe will have gradual moderation, but the warming will come slower in some areas, such as Paris and Munich. The bulk of the stormy weather will be confined to Scandinavia.

Asia
Northeastern China, both Koreas and southern Japan will stay mild for the season into early next week. The rest of Japan will average near to below normal. Cold across Manchuria, especially in the north. Seasonable in Hong Kong and Singapore with a shower possible each day.

North America

	Today High	Today Low	Tomorrow High	Tomorrow Low		Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F		C/F	C/F	C/F	C/F
Anchorage	-6/22	-11/13 c	0/32	-3/27 sn	Minneapolis	0/32	-6/22 c	1/34	-2/29 i
Atlanta	19/66	6/43 s	20/68	7/44 pc	Montreal	-1/31	-8/18 sn	-3/27	-13/9 pc
Boston	3/37	-3/27 pc	2/35	-4/25 s	Nassau	23/73	19/66 s	24/75	17/62 pc
Chicago	3/37	-3/27 c	6/43	1/34 pc	New York	8/46	-1/31 pc	6/46	0/32 pc
Dallas	24/75	10/50 s	23/73	11/52 pc	Orlando	24/75	10/50 s	26/79	12/53 pc
Denver	19/64	0/32 pc	14/57	-1/31 pc	Phoenix	28/79	13/53 s	23/73	9/48 pc
Detroit	3/37	-3/27 c	4/39	0/32 pc	San Fran.	16/61	7/44 sh	14/57	6/43 pc
Honolulu	29/82	20/68 s	30/86	21/70 pc	Seattle	10/50	4/39 sh	9/48	3/37 pc
Houston	24/75	13/55 s	24/75	12/53 c	Toronto	-1/31	-8/18 sn	2/35	-8/22 pc
Los Angeles	21/70	8/46 pc	20/68	7/44 pc	Vancouver	10/50	2/35 sh	7/44	3/37 pc
Miami	26/79	14/57 s	27/80	16/61 s	Washington	11/52	1/34 pc	8/46	-1/31 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

Asia

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Bali	33/91	24/75 c	33/91	24/75 c
Bangkok	33/91	23/73 pc	33/91	23/73 pc
Beijing	6/43	-3/27 pc	4/39	-6/22 s
Bombay	29/84	18/81 s	29/84	18/81 s
Calcutta	25/77	14/57 pc	27/80	13/55 s
Chiang Mai	33/91	22/71 pc	33/91	21/70 s
Colombo	29/84	23/68 s	29/84	21/70 s
Hanoi	24/75	23/68 sh	24/75	18/64 r
Ho Chi Minh	34/93	25/77 pc	33/91	24/75 c
Hong Kong	22/71	19/66 sh	23/73	19/66 s
Islamabad	18/61	7/44 pc	21/69	25/77 pc
Jakarta	30/86	24/75 c	27/80	8/46 s
Karachi	26/79	11/52 pc	32/89	24/75 pc
K. Lumpur	32/89	24/75 pc	32/89	24/75 pc
K. Kinabalu	31/88	24/75 pc	30/86	23/73 pc
Manila	30/86	21/70 pc	30/86	21/70 pc
New Delhi	28/70	7/44 s	31/88	6/43 pc
Phnom Penh	34/93	24/75 pc	33/91	23/73 pc
Phuket	33/91	23/73 pc	33/91	23/73 pc
Rangoon	33/91	22/71 pc	33/91	23/73 pc
Seoul	-2/28	-9/22 s	3/37	-4/25 s
Shanghai	8/46	7/44 r	8/46	3/37 r
Singapore	32/89	24/75 pc	32/89	24/75 pc
Taipei	23/73	20/68 pc	23/73	18/64 r
Tokyo	8/46	0/32 s	10/50	1/34 pc
Vientiane	33/73	20/68 sh	23/73	18/64 r

Africa

Algiers	16/61	8/46 c	17/62	7/44 pc
Cape Town	18/64	13/55 pc	26/79	16/64 s
Casablanca	21/70	12/53 c	21/70	11/52 pc
Harare	28/84	8/46 s	30/86	8/46 s
Lagos	31/88	23/73 s	30/86	25/77 s
Nairobi	22/72	13/55 s	22/72	13/55 s
Tunis	14/57	4/39 pc	13/55	4/39 pc

Latin America

Buenos Aires	37/99	20/68 s	29/84	16/61 r
Caracas	29/84	23/73 pc	27/80	23/73 r
Lima	27/80	20/68 pc	27/80	20/68 r
Mexico City	23/71	7/44 pc	23/71	8/46 t
Rio de Janeiro	29/84	21/70 pc	28/82	23/71 r
Santiago	27/80	7/44 s	28/79	9/48 s

Oceania

Auckland	20/68	15/59 c	21/70	15/59 pc
Sydney	26/82	19/66 pc	29/71	14/57 r

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Next Under Scrutiny: Simpson's Wallet?

By Stephanie Simon and Henry Weinstein
Los Angeles Times

SANTA MONICA, California — The attorneys pressing the civil lawsuit against O.J. Simpson are gearing up for a possible second phase of his trial by examining new documents about Mr. Simpson's finances.

Though the documents — which the defense turned over this week — are sealed, sources close to Mr. Simpson say legal fees have gobbled large pieces of his fortune. He does retain some substantial assets, the sources said, including pension funds worth $2.5 million that are largely protected from creditors, and several pieces of property. But he is also in debt to several creditors, including his attorneys.

If he is held liable for the deaths of Nicole Brown Simpson and Ronald Goldman and ordered to pay hefty damages, Mr. Simpson could be forced to sell his home, his cars, even his football trophies.

Even if jurors slap a multimillion dollar judgment against him, O.J. Simpson will never be forced onto skid row. California law protects him from that fate. But the man who embodied the rags-to-riches American dream would have to auction off his Bentley, give up his tennis courts and adjust to a more modest lifestyle.

Mr. Simpson would be able to tap his pension funds only for reasonable, everyday expenses, such as grocery bills or rent payments or off-the-rack clothes, according to business lawyers. If he used his retirement money to buy anything a judge deemed a luxury — or even if he deposited the funds in a bank account — his creditors could go after it.

If he used it to buy a $20,000 Honda, for example, that Honda would be subject to levy by creditors, said Richard Brunette Jr., a Los Angeles attorney who specializes in finance law. The creditors would include the plaintiffs, if they win a judgment against Mr. Simpson.

Although the court would not "permit him to live a luxurious lifestyle," Mr. Brunette said, Mr. Simpson would not "be required to sell pencils on the street."

Mr. Simpson's current financial state will become public record only if jurors find him liable.

In its current round of deliberations, which began Tuesday, the jury is weighing one immediate money issue: Whether Mr. Simpson should compensate Mr. Goldman's parents for the loss of their son, and if so, how much he should pay. But the court has ordered the jurors to decide that issue without considering Mr. Simpson's finances.

If the verdict goes against Mr. Simpson, the trial will move into a second phase, dedicated to testimony about Mr. Simpson's financial assets. Jurors will then determine how much Mr. Simpson should pay the victims' relatives in punitive damages, which are designed to punish a wrongdoer for his misdeed.

Under California law, jurors must take three factors into consideration when calculating punitive damages: how reprehensible the defendant's misconduct was; how much economic damage it caused; and how wealthy the defendant is.

If the jury holds Mr. Simpson liable, there would be little debate about the brutal nature of the murders. The economic loss is also uncontested; lawyers on both sides agreed that Mr. Goldman's ruined clothes were worth about $100 and Mrs. Simpson's dress cost $250. So, the main point of contention will be Mr. Simpson's wealth.

"If someone's net worth is zero, it only takes a $1 judgment to punish him," said a Beverly Hills attorney, Paul Kiesel, who handles many wrongful death lawsuits. "O.J. is going to attempt, without question, to represent to the jury that he is penniless."

The sources familiar with Mr. Simpson's finances say he has been scrambling to pay off his legal debts. But they acknowledged Mr. Simpson may have more assets than they are aware of.

If they win a big judgment, the plaintiffs could hound Mr. Simpson until they collect every last penny he owes them. A civil attorney, Brian Lysaght, said, "They will grind Mr. Simpson, no doubt about it."

A man and woman arguing over the Simpson trial near the courthouse.

POLITICAL NOTES

Hey, Who Was the Guy In the Ugly Golf Shirt?

WASHINGTON — For President Bill Clinton, the 19th hole of a golf course often involves a wedding. The First Duffer frequently finds himself at country clubs where weddings are in progress and, even when sweaty, poses for photos with the happy families. People magazine documents this next week with pictures.

"I think the temperature was approaching 100 that day, he put his arm around me, and I said, 'Oh, my God,' " said a Washington engineering executive (and Republican), Michael Kappaz. His daughter's July wedding at Maryland's Congressional Country Club was attended by 300 guests, and Mr. Clinton dropped right in.

"He's a very charming, very magnetic fellow," Mr. Kappaz said of Mr. Clinton. "One of my daughters came up to him and said, 'Most of the people here didn't vote for you, but you put your arm around them or embrace them. I voted for you. How about a kiss for me?' Of course, he did." *(WP)*

Parties Fight on Money For Campaign Inquiry

WASHINGTON — Republicans and Democrats have reached agreement on a broad scope for the Senate Governmental Affairs Committee's investigation into campaign financing abuses but remain divided over a Republican proposal to budget $6.5 million for the inquiry. The agreement restored the committee's fragile harmony for the time being but pointed to a potential dispute for the Senate if a compromise is not reached in the next few weeks on the investigation's financing and duration.

On Thursday, when the committee voted along party lines to approve the Republicans' $6.5 million proposal and reject the Democrats' counterproposal to authorize only $1.8 million, the two parties were "very, very far apart," as Senator Arlen Specter, Republican of Pennsylvania, put it.

Under pressure from Democrats, the panel agreed unanimously to a detailed statement making clear that the inquiry would go into areas where Democrats wanted it to, such as congressional campaign abuses and the misuse of tax-exempt organizations for political purposes. *(WP)*

Quote/Unquote:

Nicholas Burns, the State Department spokesman, on plans for Madeleine Albright to visit Europe and Asia during her first trip abroad as secretary of state: "This argument about whether Europe or the Pacific is more important is really not an argument worth having, because they're both important, and there's no need for us to choose. We're going to be operating under her leadership very aggressively in both areas." *(AP)*

Away From Politics

• A polio vaccine given through drops and sugar cubes was responsible for almost every case of polio in the United States between 1980 and 1994, according to the Centers for Disease Control and Prevention. But the government expects a new vaccine regimen that starts this month to cut the risk. The risk of contracting polio from the oral vaccine is one case per 2.4 million doses, the centers said. The new policy is expected to cut that risk in half. *(AP)*

• The Marine Corps has opened an investigation of two hazing incidents known as "blood pinnings" in which elite paratroopers have golden jump pins beaten into their chests. The incidents, in 1991 and 1993, were videotaped by participants. *(AP)*

• Alabama prisons should not be allowed to chain inmates to a metal bar for hours at a time, a federal magistrate in Montgomery has ruled. Prisoners testified that they have stood shackled for as long as seven hours to the chest-high horizontal bars, which they call the "hitching post." *(NYT)*

• A Mexican drug lord, Juan Garcia Agrego, 52, convicted of smuggling tons of cocaine into the United States and laundering millions of dollars, has been sentenced to 11 life terms in prison and fined $128 million. *(AP)*

FBI Lab Workers Blew Whistle on Bosses

By David Johnston
New York Times Service

WASHINGTON — An internal Justice Department investigation into the FBI crime laboratory has uncovered numerous complaints by laboratory employees about the handling of forensic evidence in the case against the two men charged with the bombing of the Oklahoma City federal building on April 19, 1995, in which 168 people were killed.

The criticism of the FBI lab emerged in interviews conducted by investigators from the inspector general's office. In the interviews, some of the laboratory workers said that their superiors engaged in sloppy, improper or unscientific practices in the Oklahoma City case.

Laboratory examiners in Oklahoma shipped critical items to the lab, such as the faded black jeans worn by the suspect Timothy McVeigh when he was arrested, in a brown paper sack instead of a sealed plastic evidence bag, one employee said. A gun and a knife purported to belong to Mr. McVeigh were sent to the laboratory sealed only in a manila envelope, the employee added.

At one point, visitors to the laboratory placed travel cases that were potentially contaminated with explosive residue in an area where bomb debris had been stored awaiting testing, another employee said.

As a result, none of the material could be tested.

In another instance, a laboratory worker reported that a technician testing material from Mr. McVeigh's car found the presence of cocaine on a sample, a false reading that may have resulted from using improperly cleaned equipment. The sample, the worker said, was discarded.

The interviews were conducted over the last two years as part of a lengthy review into accusations of lax procedures at the laboratory. A draft of the inspector general's report was turned over to officials of the FBI last week, but it has not been made public, and it remains unclear how many of the complaints to the inspector general were sustained in the report's findings.

Partial transcripts and portions of internal summaries of the interviews were provided to The New York Times by people outside the government who are critical of the laboratory's performance in the Oklahoma City bombing case.

Deputy Attorney General Jamie Gorelick expressed hope that the government's prosecutions would not be damaged by problems at the laboratory.

"We have taken appropriate steps to preserve the integrity of our case," Ms. Gorelick said Thursday, "and we have every confidence that in the end everyone will get a fair trial." But she said that the impact would not be fully understood until the courts assessed how problems at the laboratory could affect each case.

The information from the inspector general's investigation has surfaced at an awkward time for the government. Lawyers for Mr. McVeigh and a second suspect, Terry Nichols, have suggested that they will challenge the government's forensic evidence in trials scheduled to begin this spring.

Legal experts said similar challenges could complicate the prosecution of other cases in which the laboratory played a role in evaluating evidence.

The transcripts and summaries suggest that the FBI's procedures for testing explosive material were lax and that nonscientists who managed the laboratory appeared to be casual in their approach to handling evidence. The criticism closely parallels that of Frederic Whitehurst, an FBI chemist who has been critical of the laboratory.

The criticism suggests that the procedures in specific cases like the Oklahoma City bombing illustrate wider problems at a laboratory that has had a reputation as one the country's premier forensic science institutions.

In response to the inspector general's findings, agency officials reassigned three laboratory employees who worked on the Oklahoma City bombing case.

Bureau officials, who acknowledged problems in handling evidence from the Oklahoma City bombing, said no agent had been accused of deliberate wrongdoing. They said that they did not expect that any mistakes would seriously undermine the government's case and they expressed confidence that there was sufficient evidence to convict the two defendants.

The officials said that partial transcripts and summaries were in some cases incorrect and reflected exaggerated recollections of a few employees who were interviewed by investigators from the inspector general's office. The officials said that some complaints raised by employees were investigated and dismissed in preparation of the report by the inspector general.

One interview summary relating to the Oklahoma City bombing quoted an employee in the laboratory's explosive unit, LaToya Gadson, as telling investigators that "the evidence was a 'mess' when it came in because it had not been collected in an 'orderly fashion.' "

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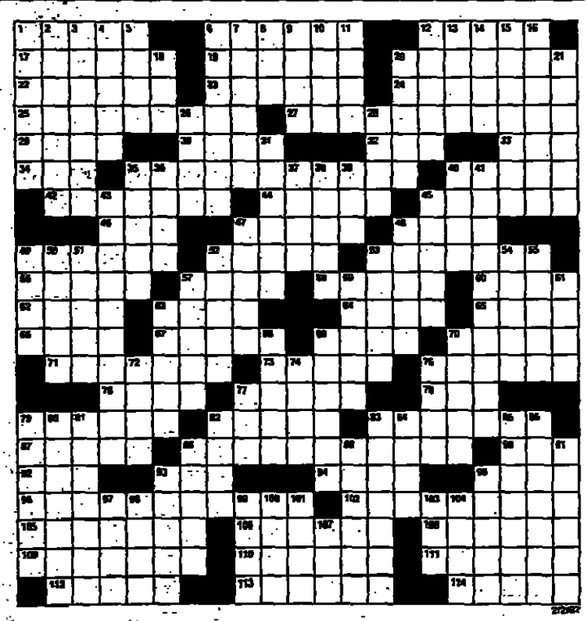
COLLEGE CATALOGUE, By Richard Silvestri



ACROSS
1 Spanish poet Federico García ——
6 Jacuzzi user
12 Look everywhere in
18 Indisposed
19 Make it big
20 Popular porters
22 Welty's "One Writer's Beginnings," e.g.
23 Stretched one's neck
24 Mexican state or a product that originated there
25 Whole-grain food
27 Specialist in a duck blind
29 "—— Where My Money Goes" (early 1900's song)
30 Chuck alternative
32 "Nothing is?"
33 G.P. grp.
34 Highest honor
35 Colorful clumps of grass
40 Trimming tool
42 Platitudes
44 Army leader?
45 Province in Italy's Northern League
46 Blue Eagle initials
47 Adult
48 Locate
49 Conviction
52 Kingdom of Minos
53 Lies limply
56 Drink for Drac
57 Nurse
58 Street of mystery
60 Go cold turkey
62 Columbia athlete
63 Fill the hold
64 Flying jib, e.g.
65 Pull strings?
66 Get fresh with
67 More than miffed
69 *Toiling*
70 Christmas ——
71 Advanced course
73 Whiz
75 "—— a Moon Out Tonight" (1961 hit)
76 "—— Three Lives"
77 Missouri, e.g.
78 East end
79 Jelly ingredient
82 Secretary, at times
83 Crime statistics
87 Western airline name
88 Emma Lazarus
90 Muscle-building unit
92 Put up
93 To be, to Benita
94 Word in a promise
95 Hot issue?
96 Area near the crown
102 One who teases a nobleman
105 Squeaking
106 "Stalag 17" star
108 Inherent character
109 They're dispensed in litres
110 Ancient
111 School of painting
112 Marsh plant
113 Break
114 Cobbler's stock

DOWN
1 Kind of particle
2 "Saw the air too much with your hand," in Shakespeare's words
3 Like Uranus vis-à-vis Jupiter
4 A cock does it
5 Speller's phrase
6 God of wine
7 Unpaid debt
8 Sing-a-long syllable
9 Posterior
10 In any way
11 The scarlet letter
12 Bygone kings
13 Philippine island
14 City WNW of Mascara
15 Overshadow
16 *Flower clusters*
18 Not be perfect
20 Changes back
21 Guy Lombardo hit of 1937 or Jimmy Dorsey hit of 1957
26 Silo occupant
28 Franklin's flier
31 Grabbed
35 *Hung out to dry*
36 Bomber initials
37 Bring (out)
38 Single
39 Cod piece?
40 "—— Peach" (Allman Brothers album)
41 *Got lucky at poker*
43 General Grant's horseshoer
45 Like the Tu
47 Hail
48 Alley challenge
49 Beer holders: Abbr.
50 Walt Disney's middle name
51 Unbound
52 Chest material
53 Done in
54 *Like some excursions*
55 Go furtively
57 Unit of capacitance
59 Distillation product
61 Chuck
63 Closet contents
68 "South Pacific" hero
69 Fends off
70 Make confetti
72 Trojan princess of a Mozart opera
74 Maintain
75 Alas, once
77 Costa, anatomically
79 Get ready to leave
80 Renowned Manhattan eatery
81 Suggest
82 Concern
83 Overflows
84 Captain, e.g.
85 Slander
86 A fistful
88 Home of England's Opera North
89 Off-peak calls?
91 ( ), informally
93 Marker
95 Loose-limbed
97 *Prepare for action*
98 Toil wearily
99 "—— Lap" (1983 film)
100 Balcony section
101 Engr.'s specialty
103 Bambi's aunt
104 Devil-may-care
107 Bambi's aunt

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Solution to Puzzle of Jan. 25-26

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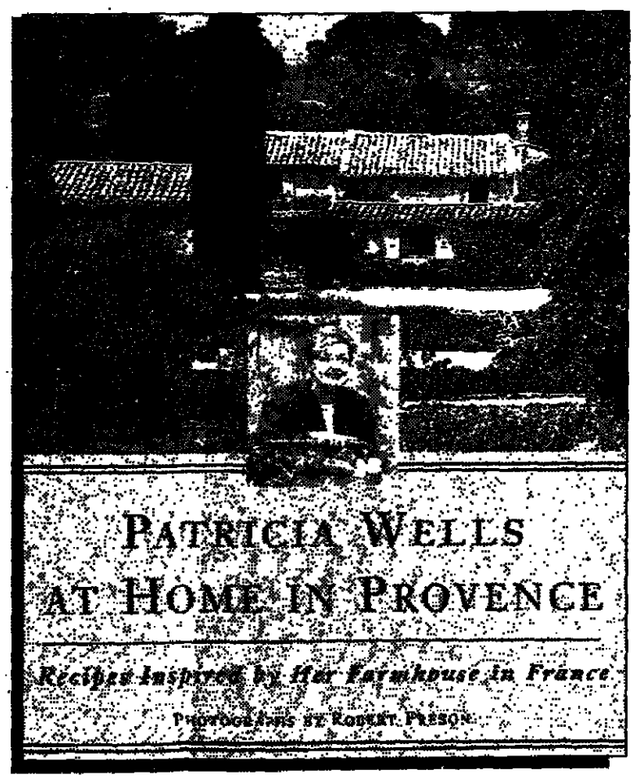

For the past thirteen years, Patricia Wells has been carrying on a love affair not with an individual, but with a region of France, a centuries-old stone farmhouse, and a cuisine. Now, in a cookbook that captures the soul of modern regional French cooking, the award-winning journalist and author invites readers to share the passion, the joy, and, best of all, the cooking of her adopted home.

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Patricia Wells has lived in France since 1980, where she is the restaurant critic for the *International Herald Tribune*. She is the author of five best-selling books: *The Food Lover's Guide to Paris, The Food Lover's Guide to France, Bistro Cooking, Simply French,* and *Patricia Wells' Trattoria.*

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Q & A / **Petar Stoyanov**

Only Reforms Can Solve Crisis, Bulgarian Says

Petar Stoyanov, who was elected president of Bulgaria Nov. 3, was in Brussels this week to press the European Union and NATO for aid and eventual membership for his country. He spoke with Tom Buerkle of the International Herald Tribune.

Yves Herman/Reuters
President Stoyanov in Brussels.

Q. The street protests appear to signal a crisis both in economic terms and in terms of the faith of Bulgarians in the democratic process. How serious is this crisis?

A. Bulgarians have gone out into the streets because over the past four years there has been not reform, but a simulation of reform combined with corruption and a flagrant disregard for public opinion. We will have to start the reform, and this radical reform will demand a very high social price. On the other hand, what I find reassuring is that despite this drastic slump in the economy, the morale of the Bulgarians is going up.

Q. Why has reform proved so difficult for Bulgaria? It is now more than seven years since the fall of the Berlin Wall, and countries like Poland and the Czech Republic have succeeded in reforms and are growing quickly.

A. Reforms took off and succeeded at a fast pace in countries where the former Communist parties succeeded in reforming and becoming social democratic parties. This is the case with Poland and Hungary, where the former Communist parties and the right-wing parties have no differences on the major priorities of each country — the economic reforms, EU and NATO membership. Here in Bulgaria, there is no clarity yet about the need to proceed. The Bulgarian Socialist Party was looking for its own specific way of tackling the problems. Their experiment has failed, and the only positive outcome of this is that the public opinion is clear about what is to be done from now on.

Q. What can be done in the short term to defuse the crisis in Bulgaria?

A. What we need is an immediate minimum of consensus between the opposition and the majority on three counts: an anti-crisis program; the legislation that will enable the installation of the currency board [which will peg the Bulgarian lev to the dollar], and radical, structural economic reform.

Q. What are the risks if the Socialists continue to reject your proposal for a caretaker government and early elections, and insist on forming a new government?

A. The risk is that public unrest, the street disturbances, strikes and social sentiment at large will depose this government in a few months. This will be sheer wasted time once again. Bulgaria is due to make a major payment on its external debt in July. The implication is that in May and June, Bulgaria must have a government which will have a clear mandate to negotiate with international financial institutions.

Q. There are increasing indications that the Union would like to imitate the NATO formula and have a first round of enlargement with a small number of countries. Do you see Bulgaria being relegated to some second-class group of candidates, and what would the consequences of that be?

A. I'm clearly aware that Bulgaria cannot be among the first group of countries to accede to the European Union or NATO. What I pleaded with the European Parliament for is a simultaneous initiation of negotiations of all associated EU members. Anything else would discourage Bulgarian society today. This is vital for us in the present circumstances.

Bulgaria Leader Urges Socialists to Quit Bid for Government

Compiled by Our Staff From Dispatches

SOFIA — With strikes and street protests raising tensions, President Petar Stoyanov on Friday urged the Socialists to face reality and give up their bid to keep governing.

His call came as the head of the International Monetary Fund, Michel Camdessus, urged Bulgaria to form an "effective" government quickly.

Mr. Camdessus wrote to Mr. Stoyanov to say the international community was "ready to provide aid" but that Bulgaria must resolve the political problems that have led to daily street protests and delayed the formation of a new government.

Mr. Camdessus said in the letter, which was distributed Friday by the presidential press service, that the new government should set up a currency board that would peg the Bulgarian currency, the lev, to a convertible currency and rein in government spending.

As protests continued for a 25th day Friday, public transport stopped in the second-largest city, Plovdiv, while the main highway to Greece was blocked for a third day.

People waited for hours at banks to retrieve their savings and convert what money they have into other currencies because of inflation and the rapid drop of the lev.

Hundreds of striking miners from the industrial town of Pernik, about 20 kilometers (12 miles) southwest of Sofia, came to the capital, chanting anti-government slogans outside the Energy Ministry. On their way back to Pernik, they blocked the highway.

The protesters want new parliamentary elections so they can vote out the Socialists, the former Communists, who are seen as failing to carry out moves that could have prevented the startling economic decline. The Socialist-led government resigned in December amid public anger over the problems.

But the Socialists, as the largest party in Parliament, are entitled to try to form another government. Mr. Stoyanov gave the mandate to Interior Minister Nikolai Dobrev on Tuesday, but then proposed that Mr. Dobrev turn down the offer so the president could appoint a caretaker government to push through economic measures and call elections for May.

Returning from his first official visit abroad, to Brussels, on Friday with an expression of European support for his proposals, Mr. Stoyanov said Mr. Dobrev had diminishing chances to form a broad coalition and should stop trying. The opposition has repeatedly refused Socialist invitations to form a coalition.

Mr. Dobrev said Friday that he would be willing to give up the mandate if that would help form a coalition. But he canceled a planned meeting with Mr. Stoyanov after party colleagues insisted the government be formed under the Socialists. *(AP, AFP)*

Mandela's Surprise

He Names Rival Acting President

By Suzanne Daley
New York Times Service

JOHANNESBURG — In an artful gesture of political reconciliation, President Nelson Mandela on Friday appointed Chief Mangosuthu Buthelezi, his arch-rival, to stand in as acting-president when he leaves the country this weekend.

The announcement provoked uncertain laughter in the Senate, as if members were not sure whether Mr. Mandela was joking. But the president said he had chosen Chief Buthelezi because he was a "highly competent and experienced leader."

Chief Buthelezi, the fiery leader of the Zulu-based Inkatha Freedom Party, said he was filled with awe by the president's gesture and hoped nothing happened to "show that he did not deserve such trust."

The move was the latest in a month full of political twists and turns among South Africa's major political parties.

Political analysts say that recent changes at Inkatha are Mr. Buthelezi's reaction to his party's poor showing in last year's local elections and reflect disagreements over how to broker a peace agreement with Mr. Mandela's African National Congress.

Three top Inkatha party leaders, including Frank Mdlalose, the chairman of the party, have resigned citing health reasons and business interests for their departures.

But most analysts say the resignations were forced. Some say the party is in total disarray over losing so many party stalwarts at once. But others say that Chief Buthelezi has made a shrewd choice in picking Mr. Mdlalose's replacement, Ben Ngubane, a man who is considered a moderate, a good administrator and skillful negotiator.

Ex-Ruler Wins In Madagascar

Reuters

ANTANANARIVO, Madagascar — Madagascar's former military ruler, Didier Ratsiraka, made a comeback Friday when he was declared president four years after the islanders drummed him out of office.

The High Constitutional Court declared the 60-year-old retired admiral the winner of last year's elections by the narrowest of margins.

Ending weeks of suspense, the court said Mr. Ratsiraka won 50.7 percent of the vote against 49.3 percent for Albert Zafy, the professor who trounced him in 1993.

The army warned Thursday that it would not tolerate violence by supporters of the beaten candidate. It moved armored cars onto the streets of this capital late Thursday, but the city remained calm.

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New Game, New Rules for Pakistani Cricket Star

By Kenneth J. Cooper
Washington Post Service

LAHORE, Pakistan — Imran Khan, the former star of Pakistan's national cricket team, has learned a lot about politics since he formed a party last year and presented himself as a candidate for prime minister in the elections next week.

One of his biggest discoveries was the need to provide transportation to ferry supporters to the polls on election day.

"I never had a clue about this and it costs a hell of a lot of money," Mr. Khan said. "That's probably our biggest stumbling block right now, because we don't have the money required to hire cars and buses."

The novice candidate's difficulties in building a strong campaign organization help explain why his Movement for Justice has not mounted a strong challenge to Pakistan's two main parties, despite Mr. Khan's celebrity status and the popular appeal of his party's anti-corruption platform.

As Monday's election approaches, the polls show the reform-minded party attracting a small share of the vote. Analysts say Mr. Khan will be lucky to win one of the nine parliamentary districts where he is a candidate.

Most polls indicate that the Pakistan Muslim League, which is led by Mian Nawaz Sharif, a former prime minister, could win almost enough seats to form a parliamentary majority, followed by the Pakistan People's Party of Benazir Bhutto, another former prime minister.

Unwound Pictorial Press

Imran Khan and his wife, Jemima, during a visit to London.

The election was called after President Farooq Leghari dismissed Miss Bhutto's government in November for alleged corruption and abuse of power.

Mr. Khan, 44, was a classmate of Miss Bhutto's at Oxford University and captain of the national cricket team that won the 1992 World Cup.

Until his retirement after that championship, Mr. Khan spent half of each year playing professional cricket in England. His marriage to Jemima Goldsmith, the daughter of James Goldsmith, one of Europe's most successful businessmen, has become a campaign issue for Pakistani voters fearful of a "Jewish conspiracy" to indirectly take over the Islamic republic with campaign funding from her family.

Mr. Khan denied that he had received political donations from relatives of his wife — who converted to Islam after their wedding — but acknowledged that the issue had hurt his campaign.

Before last year, Mr. Khan showed no interest in politics and turned down cabinet posts in two interim governments. He has never voted, he said, because his travels as a cricket player took him out of the country on election day.

His Movement for Justice was formed last September.

"We are untested. We are inexperienced," Mr. Khan conceded in an interview this week at his stately brick home in Lahore. "We don't really know the modalities of fighting elections."

Many Pakistanis disillusioned with recent governments have been attracted to his party, particularly urban middle-class voters. But others have questioned whether he knows enough to govern a developing nation of 130 million.

And some rural voters without access to television and radio do not even know his name.

Mr. Khan has condemned as corrupt all previous governments of Pakistan, which has been ruled by the military for 24 of the 50 years it has been independent. Last year, Transparency International, a public-interest group based in Berlin, rated Pakistan as the second most corrupt country in the world after Nigeria.

"There has never been a responsible government" in Pakistan, his party's manifesto declares.

"There have never been clean leaders, barring a few in the early days of Pakistan. There has never been a true democracy in Pakistan."

Since the last military regime restored free national elections in 1988, Mr. Khan charged, the two largest parties have been "taking turns plundering the country."

He has proposed a stronger accountability commission and a new law to hang corrupt officials who fail to make restitution — even if they included Miss Bhutto and her husband, Asif Ali Zardari, the focus of corruption allegations against her government.

Mr. Khan acknowledged that it would take a miracle for his party to win these elections and give him a chance to lead an unstable nation.

Already, he has begun to look to future elections.

"It was always going to be a long-term game," he said. "Both major parties are losing credibility. I know we will — God willing — overtake them."

Tokyo Rejects Bid to Outlaw Sect Accused of Gas Attack

By Nicholas D. Kristof
New York Times Service

TOKYO — The religious sect accused of carrying out the nerve gas attack on the Tokyo subway system in 1995 won a new lease on life Friday when the Public Security Commission rejected a government proposal that it be outlawed.

The commission ruled unanimously that Aum Shinrikyo, the group that is said to have planned a virtual war against the Japanese government, no longer posed a serious enough threat that it should be banned.

"We were tremendously relieved when we received the commission report," said an Aum spokeswoman, Tatsuko Muraoka. "With this report, we think that our religious faith has been saved."

To be sure, the group today is only the faintest shadow of the powerful, well-armed organization that once had branches in New York and other cities around the world.

It has lost its legal status as a religious entity, it has been declared bankrupt and its overseas branches have dissolved. Almost all of its leaders are in prison on multiple murder charges, and most of the others are the subject of an intensive manhunt.

Aum and its guru, a bearded, half-blind yoga master named Shoko Asahara, are accused of organizing the release of sarin nerve gas on five rush-hour subway trains as they approached stations in the Kasumigaseki district, where government ministries are located.

The attack killed 12 people and injured thousands. Mr. Asahara and his disciples are also accused of mounting a smaller nerve gas attack that killed seven people a year earlier, as well as of murdering critics, running guns, manufacturing narcotics and experimenting with biological weapons.

The Public Security Commission, whose decision is final, said that Aum had been a menace and still embraced dangerous doctrines, but that it had been so eviscerated by bankruptcy and arrests that it no longer posed a major danger for the immediate future. The commission suggested, nonetheless, that the authorities continue to keep an eye on the group's activities.

The commission's findings were a bit of a rebuff to the Justice Ministry, which had requested that the sect be outlawed. But the government on Friday took the commission's findings in stride and did not seem alarmed, perhaps because Aum has almost withered away over the last couple of years.

"The report does not say that the danger posed by Aum has disappeared," Justice Minister Isao Matsuura said Friday, "and it does say that the Public Security Investigative Agency should continue monitoring it very carefully."

He added, "I think the report is quite moderate and accords with common sense."

The law that the government had proposed to use to outlaw Aum is controversial and has never before been applied to an organization.

The Subversive Activities Prevention Law, as it is called, was passed in 1952 with the idea that it might be used against leftists, but from the beginning it has been attacked as a reincarnation of a 1925 law that was used to destroy opposition groups in the run-up to World War II.

While one public opinion survey suggested that back in 1995, nearly 80 percent of the public wanted to see Aum outlawed, many scholars and newspapers have been critical of the proposal to ban the group.

"The Subversive Activities Prevention Law is a kind of poison," Asahi Shimbun, perhaps Japan's most influential newspaper, editorialized this month. "Any forcible application of the law would constitute an assault on the principle of safeguarding fundamental human rights, and would lead to serious problems later."

The newspaper added, "It should be patently obvious to most people that the menace of Aum Shinrikyo has dissipated over time."

The organization still has about 450 members, almost all of whom are believed to have been purely innocent followers with no knowledge of any illicit activities.

Many of these members still believe that Mr. Asahara is innocent and see him as their savior, but they mostly meditate quietly or go about their jobs and engage in few group activities.

BRIEFLY

Korean Talks Put in Jeopardy

SEOUL (Combined Dispatches) — North Korea could further delay a briefing in New York on proposed Korean Peninsula peace talks, throwing into question the future of the four-nation peace negotiations, U.S. Ambassador James Laney said on Friday.

"Latest reports are that unless North Korea receives more grain or gets grain for the Cargill deal" they have no intention of going to the briefing, Mr. Laney said at a news conference after a three-year assignment in Seoul. "That puts a great deal of doubt on the four-party talks."

North Korea earlier this week delayed the briefing where details for the peace talks were to be thrashed out. The talks, including the United States, China and the two Koreas, were proposed by Washington and Seoul last April. The briefing was originally set for Wednesday, but Pyongyang, seeking a barter deal for 500,000 tons of grain with the U.S. trader Cargill Inc., asked that the meeting be delayed a week.

Choo Yong Koog/Agence France-Presse

South Korean schoolchildren protesting Taiwan's plans to dispose of nuclear waste in North Korea.

In Seoul, meanwhile, Prime Minister Lee Soon Sung of South Korea said the North's plan to store Taiwan's nuclear waste could jeopardize a deal to build replacement nuclear reactors in the Communist country. His comments were the first from South Korea publicly linking the two reactors to Taiwan Power's contract to ship up to 200,000 barrels of nuclear waste to North Korea. *(Reuters, AP)*

Unrest Spreads in Indonesia

JAKARTA — Mounting ethnic tension spread to two more Indonesian cities Friday, with the head of the military threatening tough measures to stop unrest.

Troops remained on the streets of Rengasdengklok, east of Jakarta, where thousands of Muslims rioted Thursday. There were also troubles in Bandung and in Pontianak, the capital of West Kalimantan province.

Shops closed in Pontianak at midday as news spread of a demonstration by public-transport drivers, residents said. In Bandung, a city of 3 million southeast of the capital, vendors pelted officials attempting to clamp down on downtown street hawkers. *(AFP)*

Jakarta Rebuffs EU Aid Bid

DAVOS, Switzerland — Indonesia on Friday firmly rejected any attempt by the European Union, under pressure from Portugal to take a stronger line on East Timor, to provide humanitarian help directly to the territory.

Foreign Minister Ali Alatas said at the World Economic Forum that such a move would be unacceptable, because the former Portuguese colony was a part of Indonesia and any aid programs would have to go through Jakarta. The EU proposed last month to send aid to Timor for such projects as building primary schools. *(Reuters)*

Death Penalty for 4 In Hanoi Graft Trial

Reuters

HANOI — A court in Vietnam on Friday sentenced four people to death after a major trial intended to demonstrate Hanoi's determination to stamp out corruption.

Officials and local journalists who attended the trial said Pham Huy Phuoc, former director of a Ho Chi Minh City trading company called Tamexco, was found guilty of corruption charges, including bribery, embezzlement and gambling, and would face a firing squad along with two company executives and a state official.

The remaining 16 defendants received a range of punishments, including one life term in prison and two suspended sentences.

Witnesses said Mr. Phuoc's girlfriend was sentenced to eight years in jail.

The verdicts marked the end of Vietnam's biggest corruption trial, but whether the case will now be closed is unclear. The prosecution and the defense appealed during the eight-day trial for a further inquiry.

The state-controlled news media, which gave extensive coverage to the case, noted that details revealed in court represented only the tip of an iceberg.

The trial centered on charges that Mr. Phuoc and others used their positions to siphon off millions of dollars in state funds, leading to the collapse of Tamexco.

But the political shock waves go much further. Tamexco was affiliated with the Communist Party, and several of those implicated have ties to some of the most powerful figures in Vietnam.

In their closing arguments, defense lawyers appealed for leniency, saying the defendants were victims of a system in which corruption had been allowed to flourish.

"The Tamexco case would never have happened without an environment where weak state management and irresponsibility reach to the peak," state news media quoted one attorney as saying.

Under Vietnamese law, Mr. Phuoc and his co-defendants will have 15 days to appeal their sentences. But, to judge from government statements made during the case, the chances of a reprieve appear slim.

Major Tries 'Pop Capitalism' as Vote Gambit

He Sees More Britons Becoming Shareholders, but New Poll Has Labour Far Ahead

Reuters

LONDON — Prime Minister John Major, shrugging off grim opinion poll news, is putting a plan to make it easier for people to own stock shares at the heart of his Conservative Party's program for the coming election.

He unveiled detailed proposals Friday to create a "popular capitalism for the 21st century" by encouraging broader share ownership in various companies and more flexible private pensions.

"In the 1980s and 1990s we set the economy free. Now we must offer people more freedom over decisions that affect their lives. It will be a new era of more opportunity, wider choice and more personal ownership of assets," Mr. Major declared.

An opinion poll in The Times of London on Friday suggested that Mr. Major would not get the chance to implement what he called an ambitious agenda that would be "radical in improving people's lives, but offer stability to the nation."

The MORI poll showed that the main opposition Labour Party's lead had risen by 4 percentage points since early December, to 55 percent. The government's support stayed static at 30 percent.

The gap is now 25 percentage points. No British party has ever reversed a lead of that size in less than four months, the time to the last possible date for the election, May 22. But Mr. Major, in a confident mood, dismissed the survey as "complete rubbish."

In the 1992 election, Mr. Major won an overall majority of 21 in the 651-seat House of Commons and a majority over Labour of 64.

The number of Britons who own shares has tripled to around 10 million since the Conservatives came to power in 1979.

Millions more will become shareholders for the first time in 1997, when a number of big building societies, which provide the bulk of Britain's home loans, become publicly quoted companies and hand out free shares to their savers and borrowers.

Mr. Major said he wanted to reinforce the trend by changing tax rules so big companies have an incentive to give free shares to workers who invest in employee share ownership plans.

He said he hoped that by the turn of the century more than half of the employees of Britain's largest companies would own shares or options in their companies.

"It's a way of building a people's share in the country's future as our economy grows," he said.

He also announced plans to make personal pension plans more flexible and to cut the local taxes paid by small businessmen, whom the Conservatives see as their natural allies.

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PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Engaging With Beijing

The salient chapter in the State Department's latest human rights report is about China, and it makes grim reading. The Communist authorities have done nothing less than silence all public dissent. Some of this was done no doubt to keep control in choppy political waters. Another likely consideration was to show American critics that China does not shrink from sticking a finger in their eye. The "internationally accepted norms" that the United States calls on Beijing to stop violating are spurned by the Chinese.

The report led President Bill Clinton to acknowledge that his policy of "constructive engagement" had so far failed to bring progress on human rights. He was quick to add that social impulses, economic change and the availability of foreign information would "inevitably" increase the spirit of liberty over time. This is a reassuring theory, but it will take years to prove out. It carries the implication that outsiders can meanwhile back off from pressing human rights. This would be a mistake. The results of either engaging or retreating are hard to predict. No matter. Americans must be true to themselves. That need not mean neglecting every other consideration, but it does mean speaking out on things that matter. It is presumably what China-bound Secretary of State Madeleine Albright means when she says she will tell it like it is.

For the focus on Chinese cruelties that the authorities depict as unwarranted interference, it would be foolish of Americans not to expect to pay some price, at least in the tone of the relationship. But it would be even more foolish of the Chinese not to expect to pay a price at least as high. After all, what is for the United States an issue of stability in a remote region is for China the core of its national interests.

With American cooperation, China can reap the full benefits of working with the world system. Without it, China inevitably lags. Mrs. Albright says the overall connection is too important to be held hostage to any single issue. True, but within specific categories — say, contacts, trade or strategy — Beijing as well as Washington will suffer if China stiffs the international rules.

China is said to be confronting a harsh choice between suffering penalties for its authoritarian ways and opening up political space for internal challenge. But this is precisely the dilemma that friends of democracy ought to be pleased to see China face. The current illiberal leadership may not be happy about it, but over time the Chinese people ought to benefit from even ragged movement toward fairness and the rule of law.

— THE WASHINGTON POST.

Chechen Progress

The healing powers of the ballot box were at work in Chechnya this past week. In a land still staggering from a punishing war that ended last summer, hundreds of thousands of citizens turned out to choose a president. They elected Aslan Maskhadov, a moderate leader who seems capable of handling the difficult work of sealing some form of separation from Russia.

Just holding an election was a considerable accomplishment. Less than six months ago, Chechnya was a ghastly killing zone where Russian troops and Chechen fighters engaged in a war that was devastating Chechnya and destabilizing Russia. The fighting ended only after the daring intervention of Alexander Lebed, the former Russian general and presidential candidate. He brokered a cease-fire and tentative political agreement with Mr. Maskhadov, the chief of staff of the Chechen forces. That led to the withdrawal of Russian troops and the scheduling of Monday's election.

But the end of the war did not end the deadlock over Chechnya's political status. Moscow went to war to suppress a secessionist rebellion in Chechnya, then essentially conceded military defeat while refusing to accept Chechen independence. Mr. Maskhadov is now in the tricky position of trying to sever all official links with Moscow without provoking the Russians into another military campaign or some kind of economic punishment. Though there is little sentiment in Moscow to resume the war, the desire for some form of revenge should not be underestimated after Russia's humiliating losses in last spring's decisive rebel offensive.

All 13 Chechen presidential candidates favored full independence, and even Mr. Maskhadov, among the most moderate, said freedom should not be delayed for the five-year period provided for in the Lebed peace deal. But having gained independence in nearly everything but name, the Chechens can afford to be patient. Conditions for productive negotiation now exist. The Kremlin can no longer contend that illegitimate leaders are misrepresenting the will of the Chechen people.

There ought to be a way for responsible leaders on both sides to work out an accommodation that secures Chechnya's near-independence.

Chechen leaders are more likely to consolidate their gains now through negotiation and patience than confrontation. Russia's influence in Chechnya is not going to increase as time passes.

— THE NEW YORK TIMES.

Put That in Your Pipe

The New England Journal of Medicine endorsed the medical use of marijuana this past week, thus increasing the pressure on the Clinton administration to accelerate a fair and reasoned re-examination of the drug's medical properties. When a leading medical journal finds therapeutic value in marijuana, it may be hard for drug officials to continue blocking medical uses pending conclusive clinical studies showing marijuana to be beneficial.

The journal acknowledges that marijuana use may cause long-term adverse effects and lead to serious addiction. But it argues that these distant risks are not relevant issues when the drug is prescribed to combat intractable nausea and pain in seriously ill patients with AIDS, cancer and other diseases. It does not make sense to prohibit physicians from prescribing marijuana when they are allowed to prescribe morphine and meperidine, wrong dosages of which may hasten death, when there is no risk of immediate death with marijuana. While a synthetic form of a key ingredient of marijuana is available by prescription, the journal said, smoking marijuana provides rapid and more effective relief.

Although top drug officials are calling for rigorous clinical trials, the journal notes that nausea and pain are extremely difficult to quantify in controlled clinical tests, and that what counts for a therapy in these circumstances is whether patients feel relief.

Thousands of patients report relief from smoking marijuana, it noted.

The journal's voice is a welcome addition to the widening national debate over marijuana as medicine. It is rooted in compassion for the seriously ill who may be suffering needlessly because of broader concerns about society's drug problem.

— THE NEW YORK TIMES.

Other Comment

The Price of Exports

The reason why government export promotion is wrong in principle begins with a simple observation: Everything has a price. Whenever a minister jets off to Indonesia, or China or Saudi Arabia to secure a contract for a private firm, the question that should be asked, but almost never is, is what price the minister is paying. It is in the minister's interest only to emphasize the benefit of his venture, usually in terms of jobs created or income earned. But buyers of exports are rarely fools, swayed merely by a minister's flattery. They extract a price. After all, there are plenty of other minister-salesmen clamoring for the buyer's attention.

Are not exports the modern holy grail, proof of a country's competitiveness? This is just a new form of the oldest mercantilist myth. There is nothing magic about exports; they are simply a necessary means to pay for imports.

— The Economist (London).

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The West Must Stop Ignoring the Balkan Wound

By Misha Glenny

DAVOS, Switzerland — As of five o'clock Friday, there was no war in the Balkans.

Violent street protests — yes; electoral fraud — yes; currency collapse — yes; terrorism — yes; grand larceny — yes; ethnic clashes — yes; mass strike action — yes; but war — no!

And as long as there is no actual war in the region, why should the West cease its policy of ignoring the gaping wound that southeastern Europe has become?

After all, as conventional wisdom in the West so often has it, instability in the Balkans is the product of the incorrigible nature of Balkan peoples and their politicians. They are corrupt, ready to manipulate and indefatigably violent. They have made their extremely uncomfortable bed and thus should be condemned to sleeplessness.

The time has come to bury this history of clichés, which is informed by the preposterous theory of "ancient Balkan hatreds." The rash of crises currently afflicting the Balkans is born of many economic and political causes whose origins lie primarily in a century of myopic Western policy in the region.

If the West continues to ignore its responsibility in the Balkans, war may well break out again — especially if the political and economic situation continues to deteriorate at the alarming rate of the last few weeks.

Since the Dayton accords, Bosnia, which is far from stable, has received the bulk of Western diplomatic and financial resources. But serious instability now threatens to spread southward to Albania and Kosovo, the Albanian-dominated province in southern Serbia, as well as to Bulgaria.

Serbia remains at the vortex of this instability. Slobodan Milosevic's continuing refusal to accept the result of the Nov. 17 local elections is a disaster that has provoked deep splits in Serbian society.

Montenegro, Serbia's partner in the rump Yugoslavia, is issuing veiled threats that it will break from the federation because Mr. Milosevic's intransigence is proving so damaging to its relations with the outside world. As anyone from the region will tell you, there are few bloodier scenarios than a Serbian-Montenegrin conflict.

More alarming is the impact of the Serbian instability on Kosovo.

Belgrade continues its systematic violation of Albanian human rights in the province, and in the past year ethnically motivated killings and terrorism have been on the increase. Some ethnic Albanian politicians in Kosovo are advocating more radical forms of resistance to Belgrade's rule.

The situation in the Balkans is made yet more opaque by the dramatic economic crisis. In Albania, hundreds of thousands of people have been rendered penniless overnight by the collapse of shady investment schemes. As the government looks for ways to divert attention from the crisis, President Sali Berisha may be tempted to increase his support for the more uncompromising Albanians in Kosovo to the north.

The crisis in Albania is but one catastrophic consequence of the economic discrimination practiced by the West since 1989. The main perpetrators have been the European Union and the International Monetary Fund.

After the collapse of communism, the European Union in particular did little to disguise its opinion that the former socialist states in the Balkans were economic backwaters, which should wait in line as the European Union snuggled up to less turbulent countries like Poland, the Czech Republic and Hungary.

As a result, investment in the region has lagged well behind that for its more favored northern counterparts. Yet the strains imposed by the transition to a market economy have been far greater in the Balkans than in northeastern Europe. Romania, Bulgaria, Macedonia and Albania have lost billions upon billions of dollars by adhering to the sanctions imposed on Serbia, even though their most important transit route and trading partner disappeared. Their pleas for compensation fell on deaf ears.

Nowhere have the effects been more distressing than in Bulgaria, where hyperinflation has contributed to a near economic breakdown. The IMF has insisted on maintaining a punishing schedule for the repayment of the country's debt, even as successive governments in Sofia have struggled to introduce market reforms.

On Wednesday, the new Bulgarian president, Petar Stoyanov, made an impassioned appeal to the EU. While admitting that Bulgaria had made mistakes, he warned that if the country did not receive immediate financial help, it would either have to default on its $12 billion debt or face "unpredictable social consequences."

The problems in the Balkans are not the sole responsibility of the West. But the West cannot continue to blame 50 years of Communist rule for everything. Ever since the Congress of Berlin in 1878, when the Great Powers first carved up Ottoman Europe without the slightest reference to the Balkan peoples themselves, Western Europe and Russia have been drawing borders, shifting populations and squeezing the local economies.

In the 20th century, Britain must shoulder much of the responsibility for the appalling relations between Greeks and Turks, and Germany for the devastation of the entire region during World War II. These crimes of commission have been compounded since 1989 by the sins of omission.

Even if the argument of historical responsibility cuts no ice with hard-nosed defenders of the national interest, money should talk. It has cost the West billions of dollars to rectify its miserably slow diplomatic response to the Croatian and Bosnian crises. These wars also threatened the unity of NATO and did serious damage to the reputation of the United Nations. To sort out this tangled mess eventually required a huge troop deployment. Would a new war in the Balkans be any different?

The decay in the Balkans is now so advanced that it will be difficult to come up with any easy solutions.

But if the current crises ever subside, there will be a pressing need for an economic program for the region. Richard Shifter, an American diplomat at the National Security Council, is trying to establish the Southeastern Europe Cooperation Initiative, which would encourage the region to work together economically. If given sufficient support by the UN, it should go far in providing a rational plan for economic development.

The West has been reacting to crises in the Balkans after they have spun out of control. To prevent war in this region, the Balkans must be made to feel part of an integrated Europe and not some irredeemable mutant.

The writer, author of "The Fall of Yugoslavia," is writing a history of Balkan nationalism. He contributed this comment to The New York Times.

Most Chinese Enjoy More Personal Freedom Than Ever Before

By Tony Saich

BEIJING — There is a widespread assumption in the West that the human rights situation in China is steadily deteriorating. It is easy to see why people should hold this view, with media reports of the arrest and sentencing of figures such as Wang Dan and Wei Jingshen for their political views and the crackdown on certain religious activities.

Yet this is only part of a complex picture that includes a steady improvement in the general situation, with most Chinese enjoying greater personal freedom than ever before.

The reform program of the last 20 years has created a society that is trying to cope with change on a scale few of us have experienced. It also makes for a situation that is almost impossible to characterize succinctly. While tens of millions in China's poor, rural areas strive to reach the poverty line, a smaller urban, educated elite is concerned about gaining greater influence in the policy-making process.

This is not to say all Chinese should not enjoy the same inalienable rights, but it does mean their daily concerns and how they can exercise their rights vary greatly.

I was first a student in China in the 1970s in the latter years of the Cultural Revolution. It is clear to anyone who was in the country then that the realm of individual liberty has expanded enormously. In those days, Communist Party control penetrated every aspect of life. The blue uniform of Maoism was mandatory, a casual comment to a foreigner would most likely result in interrogation, and Western classical music and flowers were outlawed as manifestations of a bourgeois lifestyle. The courts had been abolished, there were virtually no laws and the only legal framework was provided by very simple state and party constitutions. In practice, this meant that law was the whim of the local Communist official. Arbitrary arrest and sentencing were commonplace.

For most urban Chinese, the changes have been significant in terms of choice of work and lifestyle. Anyone under 35 has known only a time of discussion about reform and increasing contact with the outside world. Despite restrictions, there has been a steady advance toward increased individual liberty for a majority of urban Chinese.

There have also been advances in rural areas. Farmers, despite unpredictable local government interference, have a greater say over what to grow and where to sell their produce than in the old days of state fiat and almost complete control over purchase and distribution. Rural dwellers enjoy increased freedom of movement to find work in the burgeoning small-scale industries of the countryside or in the urban centers. And move they do: some 70 million of them by most accounts.

Also, in the last few years, villagers throughout China have been taking part in an unprecedented experiment in local self-governance through village elections. While there have been many reports of electoral malpractice and manipulation, there have also been many cases of genuinely free and fair elections.

Many laws have been enacted in China. The main problems now lie not with the lack of legislation but with its honest implementation and informing ordinary citizens of what their actual rights are. While the size of the task is daunting, serious programs are under way, with high-level political support, to professionalize the judiciary and to raise judicial standards.

Perhaps the most telling fact is that the words "human rights" are no longer taboo. Many Chinese have developed a feel for their rights, and this has become a part of private and official discourse. One of the most interesting statistics involves the increasing number of citizens who are willing to bring lawsuits against government agencies and officials. In 1995, the most recent year for which statistics are available, the number of suits filed reached an all-time high of 70,000.

Of course, serious problems remain in a country with a population of more than 1.2 billion.

Media reports on human rights abuses are just part of the picture.

The psychological and emotional stress of living in such a fast-moving society has taken its toll. Women's suicide rates are up, divorce is on the rise and elderly citizens are worried about the move from cradle-to-grave welfare to a more commercialized system of benefits. Unemployment and corruption prey on the minds of some urban dwellers, while many farmers are concerned about illegal levies foisted on them by local officials.

But new groups, supported by the government, are emerging to deal with these problems. Traditional organizations, such as trade unions and the women's federation, are changing their practices to become more service-oriented.

In urban areas, walk-in legal clinics and telephone hot lines are now available to provide advice on issues from the law to domestic violence. In rural areas, the women's federation and other groups are providing legal awareness programs for women, and plans are in the works to bring farmers and local officials together to plan production and planting cycles so as to remove tensions and conflict between them.

Naturally, in a nation so large and diverse as China, many abuses remain, and many of these initiatives are at an early stage. But they demonstrate that many Chinese are willing to try new ideas and practices.

For foreign organizations and governments interested in improving human rights in China, this means the potential for cooperation exists. Such cooperation will not be easy, and both sides will require substantial interaction to better understand each other.

With a country that has one-fifth of the world's population and rapidly growing international influence, it is an effort worth making.

The writer, China representative for the Ford Foundation, contributed this comment to the International Herald Tribune.

Europe Provides a Guide to Shrinking World's Rich-Poor Gap

By James Gustave Speth

NEW YORK — The other day, I opened my newspaper and thought I must be dreaming. A front-page headline read: "Gap Closes Between Rich and Poor Nations."

On closer examination, I found the article addressed rich and poor nations within the European Union. The worldwide reality is quite different. The income disparity between the richest 20 percent and the poorest 20 percent of the world's people has more than doubled in the last 30 years, going from 30 to 1 to 61 to 1. While 15 countries have seen a surge in economic growth over the past three decades, 1.6 billion people live in more than 100 countries that are worse off today than they were 15 years ago. Between 1960 and 1993, the per capita income gap between industrial and developing countries almost tripled, from $5,700 to $15,400.

Perhaps there are lessons to be learned from the convergence process at work in the European Union. The front-page article that struck my imagination was referring to a 10-year assessment of the so-called "Cohesion Fund" program, the EU's internal aid policy. It found that a convergence process was under way; the "Four Poor" — Greece, Portugal, Spain and Ireland — have raised average per capita income from 66 percent of the EU average in 1983 to 76 percent in 1995. The program, having been so successful, will possibly be scaled down — a great example of "aid to end aid."

What can we, at the UN and in the development community, learn from this success story? Can these results help us identify under what conditions aid "works," and how developed nations can most efficiently spend their scarce public monies?

Consider these facts about the EU's regional aid, and how they may be applied to global aid policy:

• EU aid represents a very substantial commitment — almost one-third of the EU budget comprising programs such as the Community Structural Funds and the European Regional Development Fund. Intra-European aid targeted at specific regions amounts to a projected budget of 117 billion European currency units for 1994-1999, the equivalent of $182 billion.

As parliaments in rich countries are more and more tempted to cut back on official development assistance, it is worth remembering that the scale of aid funds often conditions the visibility of the results — as was apparent in another aid success story, the Marshall Plan. The Marshall Plan transferred some 3 percent of U.S. income to Europe between 1948 and 1952. This was enough to complete the task.

Granted, the EU success story has been possible because a majority of "rich" states in the Union are helping a minority of "poor" states. It is more difficult for the world's 30 or so rich countries to draw enough resources to help the world's poor 150 countries on a massive scale. Yet the world's "rich minority" still represents a hefty 78 percent of global gross domestic product. And currently, the global rich spend only an average of .29 percent of their national income on official development aid. So a commitment to development must be maintained for progress to be visible. A condition of this continued effort is political support.

• Intra-EU aid is justified by a sense of shared community. This has made it possible for European countries to commit significant resources with support from their electorates. This sense of common destiny is also increasingly present at the global level. American presidents are constantly being asked by the electorate to "do something" about human tragedies all over the world — whether in Bosnia, Haiti or the Middle East. Sixty-five percent of Americans want the United States to take an active part in world affairs.

International trade grew by 10.2 percent in 1994, more than four times as much as world growth, and an increasing share of investment is transnational. Multilateral institutions such as the United Nations bring the world's leaders and their aides into daily contact with each other. Nongovernmental organizations are increasingly reaching out to partners in other countries. A web of trade, investment, diplomacy, grassroots action and telecommunications is forging a global village, from which our sense of commitment to "the other half" is strengthened.

The need for support and awareness in donor countries is matched by a need to ensure the national implementation of projects in the developing countries themselves. Half the cost of EU projects is provided by the recipient countries. This underscores the importance of accountability and good institutions.

• All the EU recipient countries are stable, open societies where the rule of law prevails. Their built-in public accountability helps sustain donor confidence that they can ensure aid will not be diverted to special interests. Their systems also provide external investors with some guarantee of long-term continuity, and guarantees that the institutions are legitimate and that any future changes will take place in a peaceful manner.

This final point shows that effective aid does not depend solely on its being substantial and supported by an international commitment. Recipient countries also have a role to play in aid's success, by strengthening the legitimacy, transparency and accountability of their institutions.

If we take these lessons to heart, we may read, one day, front-page reports showing that the gap between the rich and poor nations *of the world* is finally narrowing.

The writer, administrator of the United Nations Development Program, contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Russian Reserve

ST. PETERSBURG — The *Glasnost*, which seems to have been inspired about the "little Eastern question," as the Turkish question is called, says that Russia cannot descend into the pillage of Turkey with her other creditors. Russia has given Turkey a hundred years to pay three millions. Russia always shows the same traditional policy — not to interfere with the internal affairs of other countries.

1922: Corsets Taboo

NEW-YORK — Young women of America have been urged to wear short skirts and to taboo corsets by well-known feminine educators. Dr. Mary G. McEwen, of Northwestern University, urged girls to wear shorter skirts and to roll down their woollen stockings. Dr. Elizabeth Thelberg, physician at Vassar, protests against any return to the old-fashioned, dirt-collecting skirts and ironclad corsets. "I know of nothing," she says, "prettier than the calf of a young woman. I'm concerned about the freedom of the knees."

1947: Algerian Vote

PARIS — Fraud and intimidation in the recent Algerian elections were charged by Leftist Deputies in a spirited session of the French National Assembly. Before the Assembly had finished validating the election of five Moslem Algerian Deputies to sit in the Paris Chamber, Deputies had split into two hostile camps and several speakers nearly exchanged blows. The split was not merely between Frenchmen and Moslems but between Moslem and Moslem as well. During the elections, ballot boxes were overturned and scattered, and in many regions Arab voters had been intimated.

Swiss Assures Israeli Prime Minister

Compiled by Our Staff From Dispatches

DAVOS, Switzerland — President Arnold Koller of Switzerland expressed deep regret Friday to Prime Minister Benjamin Netanyahu of Israel for the "monstrous, unspeakable wrong" of the Holocaust.

"We're serious when we say we want the full truth also about the troubling time of our history," Mr. Koller said after meeting with Mr. Netanyahu.

"I also expressed to Mr. Netanyahu the deep regret of the Swiss government over the monstrous, unspeakable wrong of the Holocaust," Mr. Koller said. "We strictly reject every form of anti-Semitism in this country."

Mr. Koller's predecessor, Jean-Pascal Delamuraz, created an international storm of protest on Jan. 1 by rejecting as "blackmail" Jewish suggestions that the Swiss set up a $250 million fund for Holocaust victims pending the outcome of an investigation into Swiss use of Nazi treasure during and after World War II.

Mr. Delamuraz later apologized, but only after an increased show of anti-Semitism in the country.

Swiss banks and Jewish organizations have formed a joint commission to look for unclaimed assets, and the Swiss government has appointed a commission of Swiss and foreign historians to look at the country's role before, during and after the war.

Earlier Friday, a senior U.S. official toned down Washington's criticism of a memo that led to the resignation of the Swiss ambassador to the United States, Carlo Jagmetti, on Monday.

Stuart Eizenstat, U.S. undersecretary of commerce, said that Mr. Jagmetti's memo, which encouraged Switzerland to "wage war" with American Jewish organizations and others over its handling of Holocaust assets, did contain some "very strong, unfortunate wording."

But a study of the full memo found no signs of anti-Semitism, Mr. Eizenstat said in Davos.

Mr. Jagmetti, who has denied harboring anti-Semitic feelings, said Friday in Washington that while some expressions in his memo were harsh, "my words were and are a call for the Swiss to get our act together" on this issue.

"We owe this truth to the memory of all those who were persecuted and perished during the war," he said.

Mr. Eizenstat also said he reassured the Swiss foreign minister, Flavio Cotti, on Friday that no one "wants to damage the strength of the Swiss banking system, which is central to the whole economic viability of the world."

Switzerland's central bank, meanwhile, said it was unclear whether it knew in 1943 that gold received from the Nazis was looted by the German Army in Belgium.

A spokesman for the Swiss National Bank said, however, that it was clear from its files that Sweden received gold from the Nazis during World War II.

The comments were a response to the release by Senator Alfonse D'Amato, Republican of New York, of a newly declassified document that said Switzerland accepted 100 tons of gold looted from Belgium. The memo said that after Sweden refused the gold, the Swiss agreed to hold it for the Germans despite a warning by the Allies not to accept such loot. *(AP, Reuters)*

Joyce Naltchayan/Agence France-Presse

Carlo Jagmetti at the National Press Club in Washington on Friday. He said Switzerland must "get its act together" on the issue of Nazi gold.

Algerian Rebels Murder 8 More

Reuters

PARIS — Suspected Muslim fundamentalists killed eight people, including a baby, in the latest night attack on an isolated community, Algerian security forces said Friday.

The reported killings coincided with threats from Algeria's most ruthless rebel movement, the Armed Islamic Group, of more attacks soon.

Security officials said Friday that eight people in the farming community of Sidi Kaddour, just south of the capital, were "assassinated in a cowardly way" — the term the government uses when victims' throats are cut.

"This barbarous act did not exclude a baby of 13 months, who was strangled," added the statement, which was carried on the official Algerian press agency, APS.

Algiers residents said Friday that the Armed Islamic Group had distributed new warnings in the past few days "threatening soon to attack all Algerian personalities, journalists, filmmakers and senior executives."

IRS: *The $4 Billion Mess*

Continued from Page 1

Mr. Gross said the IRS had already killed one modernization project, a plan to turn paper tax returns into electronic images, after paying $284 million to Lockheed Martin, the nation's largest defense contractor.

A spokesman for the commission said the cost of shutting down the project "will be astronomical." He said 12 other systems were under review to determine if they should also be killed.

"We are making a systematic effort to review every major system under development to determine if it is worthwhile," he said.

"And if it is not, in our judgment, a prudent investment, we will recognize that and stop development."

The failure of the modernization will mean years of frustration for taxpayers who get into a dispute with the IRS, especially one that involves records kept on two or more of its computer systems.

Several witnesses criticized the IRS for not actively marketing the filing of tax returns electronically.

Last year only 180,000 people filed their returns through intermediaries after preparing them with software on personal computers, and overall only 10 percent of tax returns were filed electronically or by telephone.

In Australia 70 percent of tax returns are filed electronically.

Tax returns prepared with commercial software and then filed electronically are virtually error-free, the commission was told.

In contrast, when IRS clerks extract data from paper tax returns and enter the information into the agency's computers, the error rate is 22 percent, with the clerks causing about half of the errors.

The IRS, worried about hackers, requires that all electronic returns be filed through approved intermediaries.

ECONOMY: *Growth Exceeds Forecasts and Price News Is Called Positive as U.S. Expansion Starts Its 7th Year*

Continued from Page 1

was no need for financial markets or the government to fear the data.

"We have good, solid growth in the United States in a noninflationary environment," he said. "I don't think the Fed will tighten at its February meeting."

He said that inflation was low and that the Fed, in looking at the strong GDP numbers, was probably not going to look for that level of growth to continue.

Mr. Kahan said that only if moderation in economic growth did not take place and if there were tangible signs of inflation would the central bankers consider raising interest rates.

"We need to remember that this is the seventh year of an economic recovery," he said, adding, "Pent-up demand for business investment is relatively filled unless we get some kind of new burst of spending."

In this environment, he continued, "I can make a good case for why the fixed-income market is undervalued."

"With yield levels where they are now, and given the likely level of inflation, you're being paid to buy bonds," he said.

The credit-market benchmark, the 30-year Treasury bond finished at 6.78 percent, down from 6.87 percent on Thursday and moving away from the 7 percent level that analysts have said would indicate danger for investors in stocks.

The price of the 30-year issue, due in November 2026, was 96 11/32, up 1 point.

Stock prices generally rose, although the Dow Jones industrial average fell to 6,813.09, down 10.77 points.

The equity market has been jittery in the past two weeks, following a two-year rally that saw the Dow rise from 3,834.44 at the start of 1995, a gain of nearly 79 percent.

Mr. Kahan said that, at the market's current level, he was "petrified" of stocks, although he and other analysts said there was no sign of a significant correction.

Among the broader equity gauges, the Standard & Poor's 500-stock index was up 1.99, to 786.16. The Nasdaq composite index, reflecting a rise in technology stocks, rose to 1,380.20, up 9.27.

Mr. Kahan said international investors would do well to move into dollar-based fixed-income assets, even though the U.S. currency has appreciated in recent weeks. He said it had room to advance, noting weakness in the economies of Japan and many of America's major European trading partners.

Indeed, even though the Fed has not moved interest rates in more than a year, short-term American rates are higher than those of many industrial countries. In the London interbank market, one-month dollar rates are more than 5 percent, while the Deutsche mark yields about 3 percent, the Swiss franc 1.75 percent and the yen less than 0.5 percent.

Those weak overseas economies and the strong dollar explain why the strong export growth in the fourth quarter is not expected to persist, analysts said.

Adding to the tame inflation picture was a report from the Purchasing Management Association of Chicago, which said its regional index of manufacturing activity fell to 55.9 percent in January from 57.1 percent a month earlier; the December number was revised from an originally reported 57.4. A reading above 50 indicates an expanding economy.

The Chicago-area index is considered a good indicator of the National Association of Purchasing Management's overall U.S. index, which is scheduled to be released Monday.

BARTER: *Paid in Shoes, Glass and Bras, Ruble-Less Russians Are Forced to Trade Their Goods to Survive*

Continued from Page 1

the winter, when hens lay fewer eggs and audiences began to dwindle. So now the movie houses are taking empty bottles as payment, returning them to the bottlers for cash.

The state also is caught in the web and cannot seem to extricate itself. One reason the government plunged into a tax revenue crisis last year was that it, too, engaged in widespread barter. It gave away tax breaks in exchange for goods, debts and political favors.

Nikolai Bekh, president of the giant Kamaz truck factory, told the newspaper Moscow News that the government ordered 8,000 trucks for the army from the hard-pressed factory. "But eventually the government backtracked and bought only 600 trucks," he said, "not for money, but in exchange for tax exemptions."

The government also handed out lucrative tax exemptions to refineries in exchange for oil and fuel that was provided to collective farms. Still more exemptions from import and export taxes were given to social and political groups. The National Sports Fund, then run by cronies of President Boris Yeltsin, was given the right to import liquor and cigarettes duty-free.

The result was that the government created a paper blizzard of promissory notes and tax exemptions. When revenues collapsed last fall, the government began to crack down, threatening firms such as Kamaz with bankruptcy if they did not pay taxes with real money. Often, however, the firms complained that they were cash-poor because the government had left them with IOUs and exemptions instead of money.

Regional governments have started to issue their own kinds of surrogate money. For example, the governor of the Sverdlovsk region, Eduard Rossel, has suggested creating a "Urals franc" as a separate regional currency.

Instead, a more limited idea has been put into play there — a local "quasi-money" was issued carrying a watermark and a picture of a local czarist-era industrialist, Nikolai Demidov. The coupons are being used for child welfare payments to parents.

In the depressed Kuzbass basin coal mining region, the authorities recently decided to issue plastic cards to the poor. The cards can be redeemed at special shops stocked with goods seized from bankrupt enterprises in lieu of taxes. The circle of transactions will take place without money.

The surrogate money is a result of the huge economic shocks that Russia experienced in the last few years. The early years of hyper-inflation after price controls were eased in 1992 led to backlogs in debts among businesses and the state. The debts were often not settled for a long time, since it was cheaper to pay later, in devalued rubles.

Some companies and factories that were not receiving cash began trying to cover their obligations with goods and paying their workers in goods as well.

To quell runaway inflation, the government put into place a tight monetary and fiscal policy at the behest of the International Monetary Fund, which offered assistance. This policy has helped stabilize the ruble over the last year and a half but has not revived the industrial sector.

So factories often become the hub of barter, as is starkly evident at the Gus-Khrustalny glass and crystal works here, 180 kilometers (110 miles) east of Moscow.

The factory dates back to Imperial Russia and soon will be celebrating its 240th anniversary. But this is a grim time in its history. Only seven of the 17 furnaces are in operation, and fewer than 4,000 people are working, compared with more than 6,000 two decades ago, said the technical director.

SAUDIS: *Potential Purchase of F-16s Worth $16 Billion Surfaces Amid U.S. Rancor Over Inquiry Into Bombing*

Continued from Page 1

triumph for the maker of the F-16, Lockheed Martin, which has never sold fighters to Saudi Arabia. It would be a setback for McDonnell Douglas, which has sold 168 F-15 jets there and had hoped for more sales.

The Saudis were in no financial shape to make such a big purchase as little as a year ago. For several years the kingdom had been ratcheting back investment in jetliners and other hardware because of a drop in worldwide oil prices and a severe cash shortage.

But a rebound in oil prices in 1996 and a jump in the value of the dollar, the currency used in global oil trading, have revived the Saudi economy.

The royal family has heatedly debated what to do with the resulting windfall in revenue.

One faction, led by the defense minister, Prince Sultan ibn Abdulaziz, has pushed for more military purchases. Another wants increased spending on housing, education and jobs. It wants to address serious social problems that have given birth to Muslim fundamentalist unrest, which, in turn, seems to have led to the bombings of U.S. military facilities there.

"This deal isn't going to ease Saudi Arabia's real problems," said Anthony Cordesman, director of Middle East studies at the Center for Strategic and International Studies. "It has better things to do with this money. There are deep divisions in Saudi society on how to deal with their difficulties."

The Saudis are expected to sound out the administration on the sale late next month, when Prince Sultan visits Washington and speaks with the new defense secretary, William Cohen.

Industry officials said the Saudis apparently had anticipated that American officials would express bitterness about the Khobar Towers investigation and wanted to offer the Americans a sweetener.

When news of the deal broke, several industry officials expressed concern that the leak would complicate the sale, saying the Saudis demand control over contract announcements.

Several years ago the kingdom canceled a $5 billion deal to buy jetliners from the European consortium Airbus Industrie after jubilant French officials prematurely announced the deal on returning from Riyadh.

Administration officials responded cautiously, saying no formal deal has been reached.

"There is a lot of enthusiasm in a lot of places for the idea, but we have received no official request or contract for that kind of sale from the Kingdom of Saudi Arabia," the White House spokesman, Michael McCurry, said.

And the Pentagon spokesman, Kenneth Bacon, said: "We do not have a formal request from the government of Saudi Arabia about purchasing F-16s, and therefore I can't go beyond that. They asked us some time ago about pricing information, which we provided."

An F-16 sells for about $30 million, which would peg the deal at about $3 billion. But the Saudis typically strike long-term deals for spare parts, maintenance, crew training and missiles. That could raise the price as high as $15 billion.

It is not certain Israel would object, pro-Israel lobbyists here said, although it has opposed other weapons deals with the Saudis. One industry official said Washington was considering easing objections by offering to sell Israel F-22s. It would be the first "stealthy," radar-evading American jet ever sold abroad, and Israel is eager to get the plane.

GUCCI: *Former Wife Arrested*

Continued from Page 1

the men the equivalent of $300,000.

All of these details were supplied to the police over the last several weeks by Mr. Savioni, an on-and-off companion of Ms. Auriemma's, and were substantiated in conversations that were taped with the help of microphones planted in Mr. Savioni's car, according to the police.

Italian journalists with close contacts to the prosecutor's office were being told that Ms. Reggiani, while acknowledging that she occasionally expressed a wish that her husband should die, insisted she never gave orders for him to be murdered.

By all accounts, the story of Maurizio Gucci and Patrizia Reggiani was a fairy tale gone sour.

The couple married in October 1972, much against the will of Mr. Gucci's imperious father, Rodolfo Gucci. He accused the bride, the daughter of a Milanese shipping magnate, of being after the Gucci fortune.

According to rumor, Rodolfo Gucci went all the way to the archbishop of Milan and begged him to forbid the marriage.

Ms. Reggiani was once quoted as having said that relations between the families were, "like those between the Capuleti and the Montecchi," the clans of Romeo and Juliet.

By the early 1990s, Maurizio Gucci was becoming better known for lawsuits than for loafers, and the family empire was a shambles.

In 1993, he agreed to surrender control to Investcorp, an investment bank based in Bahrain, in a deal that was sweetened by assurances of generous annual consultancy fees.

Under Investcorp's aegis, Gucci made a startling comeback as a fashion house, and its shares have become the darling of Wall Street investors.

A decade earlier, in 1983, Mr. Gucci's father died, and shortly thereafter his marriage is said to have begun to unravel.

Ms. Reggiani then obtained custody of their two daughters, Alessandra and Allegra.

In 1994, when Mr. Gucci was joined by a companion, Paola Franchi, the former wife of a Milanese copper magnate, in the apartment in Corso Venezia, Ms. Reggiani evidently feared for her share of the Gucci fortune.

She also was said to be writing a venomous book about the Gucci clan.

LEBANON: *Under Syria's Influence, Lebanon's Traditional Civil Liberties Are Becoming a Thing of the Past*

Continued from Page 1

authoritarian neighbors. In the last three months, the government has closed most opposition television stations — purportedly for technical reasons — restricted the content of Lebanese news programs beamed abroad and, in December, rounded up about 80 Lebanese Christians deemed hostile to Syria.

"It's always embarrassing to have an Arab country with so much political freedom," said Ghassan Moukheiber, a Harvard-trained lawyer who serves as human rights rapporteur for the Lebanese Bar Association. "After the end of the Lebanese civil war, we were hoping that closeness between Lebanon and Syria would move Syria more toward democracy. However, we've seen the opposite happen."

Government officials denied any effort to stifle internal dissent. "We may be the only country in the Middle East that is really democratic," said Nasri Lahoud, chief judge of the military court that tries many security cases. "We have a Parliament."

But he added, "Our press has too much freedom."

"Democracy is a very lovely thing for a developed people," he said. "We are developed, but 80 percent of the people are living day to day."

With close ties to Europe and the United States, Lebanon has long been more hospitable to Western-style notions of civil liberties than other Arab countries. That tradition, however, is not shared with Syria, whose authoritarian regime sent troops into Lebanon shortly after the outbreak of the 1975-90 civil war.

Pictures of the Syrian president, Hafez Assad, now greet travelers arriving at Beirut's international airport. Lebanese politicians do not even pretend to be independent, relying on Damascus to referee such arcane internal disputes as a recent fracas over army promotions.

"It's not so much meddling by Syria in Lebanese affairs — it's the Lebanese inviting them to help," said a former prime minister, Salim Hoss, just back from a private dinner in Damascus with Bashar Assad, the president's son and heir apparent. "The two countries are very close. We think they are complementary."

The presence of an estimated 35,000 Syrian troops in Lebanon is widely credited with maintaining a fragile peace among the country's Sunni Muslims, Shiite Muslims and Christians. But Syrian influence also has contributed to an erosion of civil liberties, according to diplomats and human rights groups.

In an Oct. 11 letter to Prime Minister Rafik Hariri of Lebanon, New York-based Human Rights Watch protested the "abduction and interrogation of Lebanese citizens and Palestinian refugees by Syrian security forces in Lebanon, followed by transfer to Syria for imprisonment without charge or any form of due process."

"Inquiries about disappearances are met with disinterest and inaction by Lebanese authorities, who reportedly refuse even to write down complaints," the letter continued.

"The problem is compounded because most Lebanese lawyers and human rights organizations shy away from any advocacy that could be perceived as critical of the Syrian role."

Even more disturbing to some is the complicity of Lebanese security forces in enforcing Syrian rule. Lebanese security forces, for example, carried out last month's arrests of Lebanese Christians, most of whom were suspected of involvement in political groups that oppose Syria's role in Lebanon. The roundup was triggered by several attacks on Syrian interests in Lebanon, including the machine-gunning of a Syrian minibus near Beirut that killed the driver and wounded a passenger on Dec. 18.

Among those caught up in the sweep was Mr. Atallah, the journalist, who writes for the daily newspaper An Nahar. "They got to the point where they were fed up with me," said Mr. Atallah, who denies distributing anti-Syria leaflets but acknowledges that he interviewed the pro-Israeli militia chief.

The country's new broadcasting regime also has set off alarm bells among opposition groups and democracy advocates in Lebanon.

Following the civil war, few people questioned the need to impose order on Lebanon's anarchic airwaves, jammed with the transmissions of roughly 60 unlicensed television stations. The government required broadcasters to apply for licenses with the stated aim of paring the number.

In the end, the government granted licenses to just five stations, all of them pillars of the regime or sympathetic to it. The government made an exception for the station owned by Hezbollah, or Party of God, which provides coverage of the group's guerrilla campaign against Israeli troops in southern Lebanon.

All the others were ordered off the air as of the end of November, although the government has extended the deadline for applications, which could permit a more independent channel.

A related law regulates the content of Lebanese news programs beamed abroad via satellite. Banned topics include Lebanese drug cultivation, the Syrian military presence in Lebanon or anything deemed harmful to a friendly Arab country.

BOOKS

SPORTING WITH AMARYLLIS

By Paul West. 158 pages. $19.95. Overlook.

Reviewed by Carolyn See

THINK of John Milton before he became John Milton, just a weedy kid of 17 swotting along at Cambridge, too smart for his own good, too shy for his own good, a virgin still, obsessing about women and just beginning shyly, grandiosely, to entertain the thought that he might devote his life to poetry.

Imagine, then, that his tutor sends him home for a while, to "rusticate," except that young John lives with his family in London, so he gets citified instead. Imagine the foul, interesting city, with everyone in the 17th century nervous as a cat about the prospect of the plague. Imagine the Thames, dank as a sewer. Imagine women tramping through mud, fending off the gropings and grabbings of horny young men, the horniest among them young John Milton.

Imagine then that a luminous Negress lures the young poet-to-be back to a stinking den draped with still-bloody animal hides, and there, in the company of a mysterious, castrated companion, she seduces John, lectures him on mortality, the nature of women and the elements of poetry. She announces herself as his muse and warns that he has a choice ahead of him: He can become a mere scribbler, a hack, in which case the gods will probably let him alone, or he can aspire to genius, in which case — her castrated companion informs him — "harsh lives and almost constant humiliation, hunger and scabs, drear loss and chronic insomnia" are sure to be his lot.

Her name, she says, is Amaryllis, and though she is "Ethiopian" in hue, she's a muse, Milton's muse, though she comes from Virgil, who has written of her, "A sad thing is a wolf in the fold, rain on ripe corn, wind in the trees, the anger of Amaryllis."

John's brain is befuddled with learning and thoughts of sex: He can't separate the two — why should he? How should he? The world of unwashed flesh is all around him, pungent and bold, and death is always right around the corner — in fact, English poets keep dropping like flies, and Amaryllis has her hands full just keeping the English poetic tradition going. The plague may be a metaphor for mortality, but it's also the genuine plague — filthy, devastating, immediate and terrible.

Amaryllis takes John on a barge, shows him shelves and shelves of corpses, and commands him to breathe into and from their dead mouths — because they used the language before him, and a poet owes a debt to the dead. Flinching, gagging, he does so. His love for Amaryllis, in just one day, changes from a grungy sexual connection to a loftier, more complex, spiritual emotion.

Together on a gondola they whisper, and love each other, and float down the Thames. Then, as part of the old tradition, Amaryllis and her mysterious companion leave Milton marooned on a deserted shore, from whence, changed forever, he heads back to Cambridge and his future as a great English poet. To anyone who says, "Isn't John Milton that 'Paradise Lost' guy?" — or to people who deplore the idea of women as muses and think they ought to be able to write stuff of their own, or to people who couldn't care less about how English poetry has continued through the centuries — I'd say avoid this novel like the plague. But the learned, the witty, the horny, the goofy just might be charmed by this little book.

Carolyn See reviews books regularly for The Washington Post.

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Arts of Ancient Sudan: More Mysteries Than Revelations

King Senkamanisken's ushabtis (643-623 B.C.). Their grim facial expressions bear the imprint of Nubian art.

International Herald Tribune

PARIS — Few of us can remain indifferent to the lure of the deeper layers of mankind's buried past. When it concerns the heritage, hitherto unknown, of a culture that grew at the meeting point of black Africa and the Eastern Mediterranean world, the fascination becomes irresistible.

"Soudan, Royaumes sur le Nil" (Sudan, Kingdoms on the Nile), at the Institut

SOUREN MELIKIAN

du Monde Arabe from Feb. 5 to Aug. 31, is the second leg of a journey that began in Munich in October and continues from Sept. 30 through Feb. 1, 1998, at De Nieuwe Kerk in Amsterdam.

Confusing as the show may be — with its crowded presentation of pottery mixing the greatest and the banal, its insensitive lighting and its pedestrian cataloguing (who on earth, except academics, wants to be told about "Group-C Ceramics" when that jargon conceals ignorance on crucial points: Who were the people who made these? What language did they speak? How did it all begin and end?) — it brings one visual revelation after the other. The information concerning the culture (cultures?) to be credited with these revelations in early times, alas, amounts to nil.

At Al-Kadada, in central Sudan, some of the most sophisticated wares ever were molded some time in the first half of the fourth millennium B.C., prior to the invention of the potter's wheel.

A hemispherical bowl from which a grip rises like a pointed prow has a delicate brown burnish, toned by the incised hatching of its geometrical patterns. Its boldness has a startling modernity. A bowl from the same tomb, with a shape calling to mind the Japanese "chawans," displays that light touch of irregularity sought after by Zen tea ceremony masters for its natural feel. Here, too, bold incised patterns give it a 20th-century avant garde touch.

A second group of Al-Kadada pottery includes some real world masterpieces. An oval container has a carefully contrived asymmetry that gives it the appearance of some exercise in advanced solid geometry. Form and construction reach an apex with a spherical vase very slightly stretched upwards. Festoons of incised quarter circles arranged in staggered rows give the pot a dizzying rhythm.

Was there any continuity from the Al-Kadada culture to that revealed by the finds made at Aniba? If so, the transitional wares have yet to be discovered. The beautiful rounded bowls with geometrical motifs engraved and colored on a deep black ground herald some patterns on painted wood elements and textiles in African art barely older than the turn of this century.

One wonders whether the same people really created the bowls and some small terra-cotta heads also recovered from Aniba. There is no artistic link of any kind. One of the heads, 5.5 centimeters (about two inches) high, is a miniature gem of world sculpture. The sleek rounded volume has long slits for the eyes, topped by lightly molded bars for the eyebrows. The nose and tiny lips are similarly indicated in light relief. If there is the faintest whiff of Egyptian influence in the hairdo, utterly disguised by the extreme stylization, the Aniba heads and Egyptian sculpture stand light-years apart on the artistic spectrum.

Yet the heads were molded around 2000-1750 B.C., when the policy of systematic conquest inaugurated by the Pharaoh Mentuhotep II brought the Sudanese area under Egyptian rule. The roots of the native culture must have been deep and uncommonly strong to withstand the crushing weight of the conqueror's own powerful culture. In the event, the people or peoples of ancient Sudan — the Nubians, as historians call them using the anglicized form of the Greek name — adhered to the Egyptian model. In what circumstances and over what period of time has yet to be determined. It must have been a complex process. There are indications that it may not have been just the result of brutal oppression.

A WONDERFUL fragmentary bas relief hacked out by dealers in antiquities from the walls of the temple erected by Mentuhotep II at Deir al-Bahari around 2000 B.C. shows a rare scene in Egyptian art. The king's arm passes behind his spouse's neck and comes down over her chest to clutch four fingers of her outstretched hand. The woman gently presses her thumb against the pharaoh's hand. Rarely was human emotion so directly suggested in the hieratic sculpture of the Old Kingdom. What makes it doubly remarkable is that the woman's curly hair unmistakably shows her to be Nubian.

Several enigmas must be solved before we begin to understand the intricacies of the Nubian Egyptian relationship. One concerns the kingdom that arose in upper Nubia around present-day Kerma and was wiped out by Egypt around 1500 B.C. Yet as early as circa 2000 B.C., works of art betraying Egyptian influence appear in the kingdom. On a sandstone slab from Buhen carved in sunken relief, an archer who stands naked wears the tiara of Egyptian rulers. Aesthetically, it is closer to prehistoric paintings in the Sahara than to dynastic Egypt.

During the final phase of the Kerma kingdom, from 1650 to 1570 B.C., its artists achieved consummate mastery in Egyptian-derived sculpture. The fragmentary head of a ram at one time covered in a blue glaze is as subtly molded as any animal figure from Egypt. But the searching quizzical look of the ram is hardly Egyptian. Expressiveness peppered with humor remained a recurring feature in Nubia as late as the Roman period.

Indeed, as one travels down the centuries, indications multiply of a far greater Nubian input than previously suspected into the works dubbed "Egyptian" found in Sudan. A shallow bronze bowl on an openwork stand dug up from a tomb at Aniba, and considered to date from about 1450 B.C., has a litheness and linear quality to its stylized animal figures that barely suggest Egypt.

The same question arises about the bronze mirror supported by the slender figure of a young girl holding out in her palm the bronze statuette of a cat — not just "a cat" as archaeologists wrote without giving attention to its size. The expressiveness, the eyes full of laughter, an archaistic dispropportion, conjure up Nubia rather than Egypt, and so do the scarifications on the thighs.

A greater mystery surrounds the kingdom called Kush in Assyrian and Hebrew sources. It somehow appears in the 11th century B.C. In the interval, the Nubians had thoroughly adopted the Egyptian faith. They declared themselves to be more truly pious. Toward the end, the Kushites gave Egypt its 25th dynasty (712-656 B.C.).

AFTER the Kushites withdrew from Egypt, the originality of the Nubian remake of Egyptian art came out more vigorously than ever. The ushabtis (faience figures) retrieved from King Senkamanisken's pyramid betray a typically Nubian concern for expressiveness. As Egypt was conquered in succession by the Persians, the Greeks and the Romans, and lost its cultural identity, Nubia survived.

The mysterious kingdom of Meroe arose, leaving texts in a alphabet that can be deciphered. Alas, the language is not understood. Some of its art was remarkable. The sandstone head of the Meroitic deity Sebiumeker carved at the outset of the Christian era stands in relationship to Egyptian art as Romanesque sculpture does to its Ancient Roman ascendants.

Pottery remained remarkable. A grayish earthenware jar dug up with the remains of a palace at Wad Ban Naga is as masterly for the flow of its powerful shape as it is for the stylized frieze of Miro-like bulls. Thus did the perennial Nubian temperament endure through the avatars of a chaotic history.

Secrecy and Paranoia: Czarist Jewelry Show

A Triumph of Diplomacy?

By Roberta Smith
New York Times Service

WASHINGTON — Few blockbuster exhibitions have popped into view as suddenly as "Jewels of the Romanovs: Treasures of the Russian Imperial Court," the gem-studded display of art and artifacts that opened here Wednesday at the Corcoran Gallery of Art.

Exhibitions of this kind usually involve at least two years of preparation and months of drumrolls, publicity and ticket sales. In contrast, the arrival, even the existence, of the Romanov exhibition was unknown to the public and most museum professionals until late November, when the Corcoran sent out a brief news release.

The secrecy and paranoia surrounding this exhibition may be standard for Russian-American collaborations, even in these post-perestroika times. Add precious gemstones that are considered central to the Russian patrimony, not to mention other objects that have never left the country before, and anxiety levels can zoom off the charts.

That's where they seemed to be in last few weeks and days, especially last weekend, when Russian and American curators (and their translators) worked around the clock, and the show's installation went down to the wire.

Most objects in the exhibition — including royal portraits, letters and photographs, examples of court gowns and military dress and numerous ecclesiastical objects in gold, gems and mother-of-pearl — had arrived more or less on schedule.

But the imperial jewels from the Russian State Diamond Fund that formed the heart of the show were another matter. After all, they include a 19th-century brooch incorporating the world's largest sapphire and a bracelet in which the largest table-cut diamond in the world serves as a pane of glass, and a blue diamond stickpin whose stone is rumored to have come from the Hope Diamond, just a few blocks away at the Smithsonian's National Museum of Natural History.

Established by Peter the Great in 1719 to separate the Romanov family wealth from the state's, the Diamond Fund was reestablished in the early 1920s by the Communist government (which then proceeded to auction off more than half of its inventory between 1927 and 1936). Since its opening to limited public viewing in 1967, the fund had never allowed more than 5 or 10 jewels at a time to be lent from its vaultlike galleries beneath the Kremlin. Now it was lending more than 115 pieces, a sizable percentage of its holdings.

Corcoran Gallery of Art

Diamond and sapphire earring, circa 1755.

At first the director and curators of the fund were reluctant to transfer the jewels from the Russian Embassy to the museum, which meant that when they finally arrived, Corcoran staffers had to rush to make the brass mounts to hold them upright in their cases. The installation was further delayed when the Russians decided that the cases themselves needed thicker glass. Anyone who saw the state of the galleries late Monday would not have believed that the show would be ready for Tuesday's press preview. But ready it was, at least ready enough to see what all the fuss was about. At the preview of the show, which runs through April 13, James Symington, chairman of the American-Russian Cultural Cooperation Foundation, an exhibition sponsor, spoke not inaccurately of "a miracle on 17th Street" (referring to the Corcoran's location, 500 17th St., N.W.).

David Levy, the Corcoran's director, euphemistically mentioned "complicated logistical issues." And Nick Nicholson, the exhausted American art historian who oversaw the show's organization, gave English a certain Russian lilt when he called his team's efforts "a consistently growing dramatic event."

LIKE most blockbusters, "Jewels of the Romanovs" is as much about history, personality and power as art. But the jewels and the ecclesiastical objects in particular do not disappoint, and the rest of the show — the handsome portraits of Catherine the Great and her descendants, the elaborately embroidered court gowns from the last Romanov family — swirls around them like gorgeous footnotes. (The elaborate hair ornaments called aigrettes, for example, are present both in the show and in Alexander Roslin's full-length 1770 portrait of the Grand Duchess Maria Feodorovna.)

And like some blockbusters, "Jewels" has what might be called a layered agenda. Symington's foundation first conceived of the show as a celebration of the 125th anniversary of the American tour of Grand Duke Alexei, fourth son of Alexander II, the "Czar-Liberator." Thus the exhibition begins with a small display of memorabilia pertaining to the duke's tour, in 1871.

Similarly, the Russian curators who actually selected the show wanted to highlight jewelry making in Russia today. Thus near the show's finish is an anomalous vitrine containing several contemporary brooches, earrings and necklaces, none of which has the visual presence or historic credentials of the earlier pieces.

Museum Tests Meaning of Modern

By Herbert Muschamp
New York Times Service

NEW YORK — And the winner is — modern architecture! That's the announcement the Museum of Modern Art would like to make when it finally selects an architect to design its expanded Manhattan campus.

No big names. No razzle-dazzle designs in instantly recognizable signature style. No prizes for best song, most congenial contestant, wizard special effects. Rather, museum officials hope that the process of redesigning one of the world's most vital cultural institutions will itself be the lead performer.

The museum has announced an international list of architects invited to compete for the commission, a project that is not just an addition or expansion but of another order of magnitude.

The architects have been encouraged to rethink the configuration of the entire campus, which now includes the Dorset Hotel on West 54th Street, bordering the rear of the sculpture garden, which was acquired last February.

The architects are Wiel Arets and Rem Koolhaas of the Netherlands; Toyo Ito and Yoshio Taniguchi of Japan; the French architect Dominique Perrault; the Swiss team of Jacques Herzog and Pierre de Meuron, and four New York firms: Steven Holl, Bernard Tschumi, Rafael Vinoly and the office of Tod Williams and Billie Tsien. By May, the list will be narrowed to three finalists. The commission will be awarded by the end of the year.

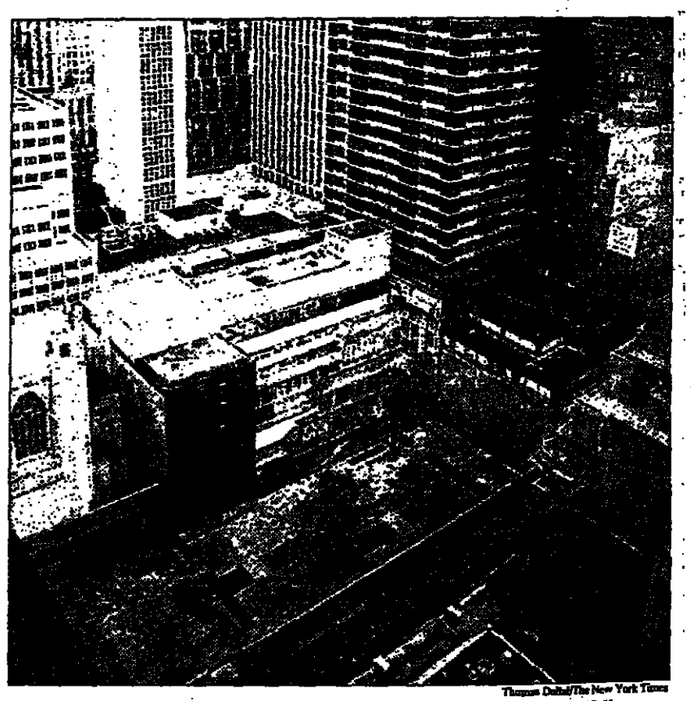
Speaking on behalf of the museum's trustees, Glenn Lowry, the director, said that the selection process itself would help to "conceptualize a modern museum in the context of the future."

The architects on the list are relatively youthful; most are in their 50s. Some architects who were not invited to compete have expressed surprise, bafflement, even anger, at this emphasis — as if the museum had deliberately chosen to take a slap at more established architects like Norman Foster, Richard Meier and Charles Gwathmey.

Actually, the Modern's tilt toward youth makes perfect sense. The architects on the list represent a generation that has felt compelled to reinvent the idea of modernism for itself.

The generation preceding theirs includes a number of distinguished architects — like Foster, Meier and Gwathmey — whose work is strongly rooted in the values of the modern movement. Still, at a pivotal moment, the work of these designers was less influential than that of Robert Venturi, Charles Moore, Michael Graves and others who chose to promote the postmodern cause.

Younger architects, especially in the United States, grew up having to reckon with the repudiation by their elders of 20th-century history. They were educated in a climate that subjected modernism to constant criticism and ridicule. The sterility of modern architecture. The anti-urbanism of modern architecture. The indifference of modern architects to popular needs and tastes.



Thomas Dalton/The New York Times

The Museum of Modern Art campus consists of the original building designed in 1939, the sculpture garden of 1964, the Museum Tower added in 1985, and, at right, the Dorset Hotel with its stepped roofline.

THE Museum of Modern Art, meanwhile, was undergoing its own identity crisis. In the 1970s and 80s, the museum stood at a crossroad. How could a modern museum survive in what was widely labeled a postmodern world? Had modernism become a closed historical chapter? Should the museum simply devote itself to filling out the record in a story that had reached the end? Or did modernism represent a set of values that could feed into the future?

The Modern itself had helped to precipitate this crisis. In 1966, the museum published Robert Venturi's "Complexity and Contradiction in Architecure," a book that instantly became the bible of postmodernism, the text that encouraged architects to repudiate the aesthetic values on which the museum had been founded.

Later, Philip Johnson, who was a founding director of the museum's architecture and design department as well as a prominent museum trustee, further complicated matters when he began crusading against the modern movement he had once championed.

Arthur Drexler, the museum's longtime architecture curator, didn't help matters by basically sitting on his hands throughout this period, committing his department to what seemed like an endless recycling of shows on the great modern masters.

In 1984, Drexler commented to me that the only contemporary designed objects he judged adequate to the museum's aesthetic standards were pieces of military hardware, like the Stealth bomber. As one contemplated the Bell helicopter that still hovers at the entrance to the design galleries, one gained an image of Drexler as an embattled figure sitting atop a stockpile of weapons, manning the barricades against postmodern incursions.

The 1985 expansion by Cesar Pelli is an enduring symbol of that crisis. Here the museum entrusted its redesign to an architect whose adherence to modern principle, never particularly firm, soon lapsed into a purely commercial practice dedicated to producing decorative building skins.

Pelli was the perfect architect for a moment when the museum hoped to insure its future not by aesthetic but economic means, erecting a profit-making condominium tower on its property and refashioning the museum itself in the image of a suburban mall.

Since then there has been a changing of the guard: a new president, a new director, new curators, a rejuvenated department of architecture and design. This group, mostly under 50, is of a generation that regards the modern, and the Modern, from quite a different perspective.

Born well after the pioneering days of the modern movement, this generation accepts as a matter of course that the "modern movement" and the polemical struggles of that movement are a matter of history. But they also perceive modernism as an ongoing way of relating to the present.

JOHN Summerson, the British critic and historian, was referring to the modern movement when he wrote in 1947 of the need to "sort out those aging ideas that get encrusted round past creative achievement and clog the proper working of the imagination in changing times."

For Summerson, in other words, modernism had already grown stale 50 years ago, a decade before the Seagram Building went up. But for many architects today, especially the generation represented by the list, the sorting out of aging ideas could serve as an excellent definition of modernism itself.

The museum's trustees are wise to view the process of selecting an architect as a creative venture in its own right. It is an opportunity for the museum to sort out some aging ideas that got encrusted round the institution itself.

Like the idea that there is some inherent conflict between the traditional and the modern, when the second grew organically out of the first. Or that historically there was only one correct, canonical "modernism" rather than Futurism, Constructivism, Bauhaus, de Stijl, Expressionism and many other modernisms.

We value the Modern as a place where this sorting-out goes on, where modernism is presented within a framework of changing awareness. Many of the architects on the museum's list have embraced that framework as the essence of contemporary architecture.

Pioneer modernists spoke of transforming entire cities, of remaking the world. Modern architects today are more likely to speak of heightening our consciousness of the modern world. The function they see for architecture is much like the museum's own historical goal.

I hope they won't forget that it's also one of the world's great spots for dating.

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Herald INTERNATIONAL Tribune
BUSINESS/FINANCE
SATURDAY-SUNDAY, FEBRUARY 1-2, 1997

Metallgesellschaft Settles Suit

Firm Drops Claims Against Former Executive

By John Schmid
International Herald Tribune

FRANKFURT — Metallgesellschaft AG, back on firm footing after a near-collapse in 1993, will drop its lawsuit against the man it fired as chief executive and will pay him 1.5 million Deutsche marks ($914.4 million) in an out-of-court settlement approved Friday by the company's supervisory board.

The accord represents a partial victory for Heinz Schimmelbusch, the former chief executive. Metallgesellschaft will withdraw a lawsuit that charges Mr. Schimmelbusch with breach of duty in the company's $1 billion oil-trading scandal and the subsequent financial crisis that nearly destroyed the blue-chip company.

But the terms, which must be approved by Metallgesellschaft's shareholders, fall significantly short of what Mr. Schimmelbusch had sought. Mr. Schimmelbusch, who is believed to have demanded compensation of 3 million to 4 million DM, had fought to be absolved of responsibility and had complained that he was being used as a scapegoat.

Instead, Mr. Schimmelbusch and his former finance director, Meinhard Forster, "explicitly accept full corporate responsibility," according to Metallgesellschaft. Mr. Forster, who was widely seen as having greater involvement in the scandal than Mr. Schimmelbusch, will receive a one-time payment of 160,000 DM.

It is the first time that Mr. Schimmelbusch has admitted responsibility in the affair, a company spokesman said. The parties also agreed, however, that they had divergent opinions about the events that led to huge losses on risky oil deals in the United States, the company said.

Metallgesellschaft said it planned no severance payment for Mr. Schimmelbusch. Instead, the fee is based on what Mr. Schimmelbusch would have received had he fulfilled his contract until it expired, June 30, 1994.

In a setback for Mr. Schimmelbusch, the company refused to link the settlement to a pre-approved extension of his contract until June 1999, even though the extension had been finalized a month before he was fired in late 1993. The payment would have been significantly higher if linked to the lengthened contract.

Mr. Schimmelbusch will also be entitled to annual pension payments of 330,000 DM, a level also pegged to the contract that expired in 1994.

Each of the sides will pay its own attorney's costs and will split the court costs. This was another disappointment for Mr. Schimmelbusch, who had filed a countersuit against MG and separately filed another suit in New York against Deutsche Bank AG, a major Metallgesellschaft creditor and shareholder, and against a senior Deutsche Bank director, Ronaldo Schmitz. The latter suit had alleged that Deutsche Bank and Mr. Schmitz had contrived to profit from the calamity and accused Mr. Schmitz of waging a campaign of defamation. Both sides will drop their litigation and refrain from future charges.

Agence France-Presse
Heinz Schimmelbusch, who was dismissed as chief executive of Metallgesellschaft in 1993.

U.S. and China Strive To Iron Out Problems In New Textile Deal

Compiled by Our Staff From Dispatches

BEIJING — Negotiators from China and the United States wrangled late into Friday to try to hammer out a textile accord hours before the deadline for unleashing a potential cross-Pacific trade war, officials said.

The chief U.S. negotiator, Rita Hayes, held talks through Thursday night and far into Friday with Chinese officials aimed at renewing a 1994 textile accord and resolving a dispute over U.S. penalties on Chinese exports.

U.S. officials said they expected no agreement before early Saturday but hoped to smooth over differences before the deadline at midnight Friday.

Disagreement over access to the market in China appeared to be the chief stumbling block, industry representatives said.

"I expect the reason for the talks not wrapping up is market access," said Robert Hall, vice president of a U.S. group, the National Retail Federation. "This is an issue that is not traditionally part of apparel bilaterals."

But officials said hopes for a deal were high, with Ms. Hayes and her team believed to be putting the finishing touches on the text of an agreement.

"We fully expect they will reach an agreement," one U.S. industry representative said.

According to another member of the U.S. industry delegation, the key question of market access for U.S. textile manufacturers exporting to China has been solved.

Ms. Hayes had been upbeat about progress in the talks Thursday, citing significant headway on the issue of market access and saying she hoped for a deal by the end of the day, but the accord failed to materialize.

Chinese officials warned Friday morning that there was still no guarantee of a final agreement and stressed that China would not sacrifice its principles to secure an accord.

But both sides have made it clear they want to avoid a trade war.

Washington could make significant cuts in China's textile quotas if agreement could not be reached before the deadline, Ms. Hayes said earlier. She added that the United States would not give China another extension of the deadline.

The Chinese-U.S. textile pact had been scheduled to expire Dec. 31 but was extended by one month to give both sides time to work out a compromise.

Washington and Beijing were also seeking to ease tensions in a dispute over Chinese exports of textiles via third countries.

The United States has threatened multimillion-dollar penalties and raised the specter of a cross-Pacific trade war over the issue.

Washington slapped $19 million of penalties on imports of Chinese textiles in September, saying Beijing was shipping textiles through third countries to evade quota restrictions.

China threatened to retaliate by temporarily banning imports of some U.S. textiles, farm goods and alcoholic drinks, but it has delayed such action to allow time for further talks.

Textiles are just one of a range of issues dogging a U.S.-Chinese relationship that has long been strained by disputes over topics ranging from trade to human rights to Taiwan.

A U.S. delegation left Beijing on Friday after talks on human rights with Chinese officials.

A U.S. report made public by the State Department Thursday said that all the members of China's tiny pro-democracy movement had been either imprisoned or driven into exile by government repression.

A U.S. trade official, Lee Sands, wrapped up two days of talks in Beijing on Friday to discuss China's delayed accession to the World Trade Organization, long a source of cross-Pacific friction.

Beijing, which wants to join the global trade club on the favorable terms accorded to developing countries, has accused Washington of blocking its entry.

The current textile talks in Beijing have already run one day beyond schedule and have involved all-night marathon sessions at the Chinese Ministry of Foreign Trade and Economic Cooperation. *(Reuters, AFP)*

Japan Without Reform: 'Passengers on the Titanic'

By Alan Friedman
International Herald Tribune

DAVOS, Switzerland — Japan will be left behind in the global economy and unable to maintain its standard of living if it does not push ahead quickly with radical reforms including deregulating heavily protected industrial sectors and withdrawing the hand of government from the overall economy, Japan's most prominent business leader said here Friday.

In an interview, Masaya Myoshi, president of the Keidanren, Japan's most influential confederation of industrial companies, accused many of his compatriots of being "pretty complacent" and said he was increasingly worried about the Japanese economy.

"The current state of our economy is very bad," said Mr. Myoshi, who is attending the annual meetings of the World Economic Forum in this Swiss ski resort. "Many people in Japan have been pretty complacent. They are like passengers on the Titanic, wining and dining until the last moment."

He said Japan was at a historical crossroads in political, social and cultural as well as economic terms. Its economy, he said, had operated for too long as "government-sponsored capitalism," with too much direction from the state.

"We have to change our system," Mr. Myoshi said. "Unless we change our system, we cannot expect to even achieve 2 percent annual growth between now and the end of the century and into the next century."

What that means, he said, is that Japanese business needs more deregulation, less government intervention and a more decentralized system.

The Keidanren chief stressed in particular the need for government corporations to operate on market principles.

"They have to be privatized or even eliminated because they are spending taxpayers' money, and their disclosure is not sufficient, so they are adding to the general deficit," he said. Mr. Myoshi was not afraid to name names, citing as examples Japan Development Bank, Japan Housing Finance Corp., Small Business Finance Corp. and regional development corporations.

So preponderant is the hand of the state, he said, that Japan's economy is effectively divided into two segments, the "more highly efficient segment of well-known companies in sectors such as cars, electronics and precision instruments and the highly protected and inefficient segment of companies in sectors such as agriculture, telecommunications, financial services and distribution."

The latest chapter in the years-long plunge in Tokyo stock prices, Mr. Myoshi said, showed that "the market is speaking" and is punishing the inefficient companies. The message, he added, "is that these companies are not internationally competitive, and unless they rationalize they will be out."

Commenting on the weakness of the yen against the dollar, Mr. Myoshi said that for manufacturing companies in the Keidanren, a value of 120 to 125 yen to the dollar was "comfortable." He added that "if the rate stabilizes and stops being volatile, this will strengthen their competitiveness, but only if this is coupled with deregulation and other reforms." In late trading in New York, the dollar was at 121.375 yen.

Mr. Myoshi said the Keidanren fully backed the program of reforms that was being proposed by the government of Prime Minister Ryutaro Hashimoto.

"We must go ahead with administrative reforms, fiscal reforms, the reform of our social security system, a financial 'big bang,' economic reconstruction and economic reforms," he said. "We have to change our system totally."

ECONOMIC SCENE

The Latest Magic Word Is 'Indexing'

By Peter Passell
New York Times Service

NEW YORK — While the inflation-indexed bonds issued Wednesday by the U.S. Treasury are seen by Wall Street as just another opportunity to make a buck, economists' pulses are racing over other potential uses of the new financial instruments.

For like the mythical schmoo in Al Capp's Li'l Abner comics (the lovable white animals tasted like chicken when fried and sirloin when grilled), indexed bonds may work a variety of wonders — everything from helping the Federal Reserve Board detect inflation on the horizon to providing a lower-risk way for states and cities to finance new infrastructure.

The new bonds represent something of a triumph for academic economists, who have spent decades promoting indexing. "Milton Friedman and James Tobin don't agree about much, but they both agree about indexed bonds," noted Lawrence Summers, the deputy Treasury secretary and a big fan of indexing.

The yield on an ordinary Treasury bond can be broken down into two key components — the reward for lending money, plus compensation for the expected loss of purchasing power when the bond matures and the principal is returned to the lender.

Indexing eliminates the second by linking the government's liability to inflation: If, for example, the price level has tripled between the issue and redemption dates, investors get back $3,000 for every $1,000 originally loaned to Uncle Sam. So the yield, determined by competitive bidding in the market, represents the "real" return to capital.

It doesn't take a Ph.D. in finance to see the significance of the information provided by the bonds. If the yield on ordinary Treasuries is, say, 7 percent, and the yield on indexed bonds of the same maturity is 3 percent, the market must expect that inflation will average 4 percent over the period.

Well, not quite. Other factors, notably the relative liquidity of the market for the two types of bonds, not to mention the "risk premium" above and beyond the expected inflation rate needed to induce investors to hold ordinary bonds, should also influence the differential.

But Bruce Steinberg, an economist at Merrill Lynch, notes that changes in the difference in yields between the two kinds of securities could prove a useful indicator of inflation expectations. A sudden widening of the gap, for example, would be a more direct — and probably more accurate — indicator of expectations than, say, the price of gold or other commodities that have been widely used to predict inflation.

Indexing may also prove a good way for the Treasury to reduce borrowing costs. Investors, it is assumed, will accept a lower yield in return for what amounts to insurance against unexpectedly high inflation.

And while indexing does not eliminate risk — it merely transfers it from investors to taxpayers, who would have to come up with extra cash if inflation exceeded expected rates — indexing does allow markets to apportion risk to those most willing to bear it.

In the end, the most important gains from indexed Treasuries may be indirect. For one thing, indexed bonds could be used by "defined benefit" pension plans to hedge against inflation, thereby permitting them to offer indexed benefits — no small advantage in a world where pensions must routinely support retirees into their 80s.

And once the market for indexed Treasuries was well established, it would open the door to other issuers. Indexed municipal bonds backed by revenues from, say, toll bridges or airport landing fees would match inflation risk on the asset and liability sides of the financing equation.

By the same token, indexed home mortgages would effectively link financing costs to housing prices, because both would tend to rise and fall with inflation.

The big puzzle is why it took so long for Washington to try indexing. Critics have always been able to summon plausible objections, like the risk that the indexing of interest will lead to the indexing of wages, which will undermine the public's resistance to inflationary policies.

But the real reason, one suspects, is bureaucratic inertia.

Air France and Alitalia Sign a Pact

Reuters

PARIS — The state airlines Air France and Alitalia said Friday they had signed a deal under which they would cooperate on code-sharing and in other areas to try to expand and cut costs in the face of tough private competition.

Air France said its chairman, Christian Blanc, signed a letter of intent Thursday with Domenico Cempella, the chief executive of Alitalia Airlines. Alitalia later confirmed the agreement.

The move was also aimed at bolstering the two airlines' competitiveness and is the sort of alliance more airlines will probably make in the future, analysts said.

"The role of the global alliance in the airline business is going to be an increasing one," an analyst in London said.

The news came less than a month after European skies were deregulated Jan. 1, a move that freed national airlines to fly between almost any two cities in Europe.

It also is set in a context of large, far-reaching alliances between private airlines in the United States and other European countries.

Air France already cooperates in such an agreement with Delta Air Lines Inc., among others.

The two airlines said in identical statements that they would try to find new ways to expand and deepen their cooperation but that for the time being the accord concerned only code-sharing on flights between France and Italy.

"With the will to reinforce and extend their partnership, this agreement will allow Air France and Alitalia to explore and optimize all possible synergies between the two companies in France, in Italy and other countries, notably in the fields of assistance and frequent-flier programs," they said.

The deal, the first steps of which would go into effect April 1, would preserve independent operations and policy decisions by both airlines.

"The agreement, leaving both companies their independence for commercial policy and operating costs, involves various essential elements which will be put in place progressively from April 1, 1997," they said in their joint statement.

Air France and Alitalia flights would be operated under a code-sharing agreement that would lead to the possibility of reservations on an Air France flight being made at an Alitalia counter in an airport, or vice versa.

The airlines said this was most likely at the start of the accord to be possible on flights between Paris and Bologna, Turin or Venice.

Links between French and Italian airports other than the two countries' largest ones also would be developed, for instance with code-sharing on Alitalia flights between Lyon and Milan or Air France flights between Strasbourg or Lyon and Rome, the airlines said.

2 Bank Mergers Fail in Malaysia

Bloomberg News

SINGAPORE — Malaysia's campaign to encourage the country's banks to join up hit a snag Friday when two proposed consolidations were called off within a half-hour of each other.

Oversea-Chinese Banking Corp. of Singapore said its Malaysian subsidiary had called off talks with Pacific Bank Bhd., while Malaysian Industrial Development Finance Bhd. said it would not sell its controlling stake in Oriental Bank Bhd. to Sime Darby Bhd.

"This clearly shows the difficulties in the merger process," said Phuah Eng Chye of Kleinwort Benson Research.

The breakdown of talks is a blow to Malaysian officials who have said they are eager to whittle down the 37 commercial banks to a handful capable of facing global competition.

Sime Darby, which has interests in real estate, banking and plantations, said Dec. 11 that it had approval from the central bank to enter talks to acquire Malaysian Industrial Development Finance's stake in Oriental Bank.

"It all boils down to everyone getting too greedy," said Angie Ang of Caspian Research (M) Sdn.

Oversea-Chinese Banking said the proposed consolidation with Pacific had collapsed because "complex issues regarding legal, accounting and regulatory requirements were difficult to resolve."

The deal would have created a bank with combined assets of 17 billion ringgit ($6.84 billion) at the end of 1995 and given the Singaporean subsidiary the ability to open new branches, which foreign-controlled banks are not allowed to do.

OCBC said the collapse of the talks would not affect its Malaysian operations.

CURRENCY & INTEREST RATES

Cross Rates

Jan. 31

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.8395	2.948	1.1233	0.3339	0.1143*	—	5.445*	1.2937	1.5155*	1.345	1.2278*
Brussels	33.7975	54.08	20.6395	6.1155	2.0975*	18.36	—	23.8425	0.2789	25.31	24.325*
Frankfurt	1.6336	2.6195	—	0.2962	0.1013*	0.8853	4.8485*	1.1532	1.3463*	1.2086	1.1832*
London (a)	1.6025	—	2.6244	8.8580	2,579.31	2.9481	54.0684	2.2867	194.5406	2.1483	222.0864
Madrid	138.263	221.708	84.642	25.088	8.577*	75.352	4.1028	97.458	113.881*	102.516	—
Milan	1,609.10	2,581.25	986.15	292.36	—	878.31	47.71	1,138.80	13.254	1,190.10	11.656
New York (b)	—	1.6025a	1.6366	5.5293	1,613.00	1.8403	33.83	1.4239	121.45	1.3403	138.775
Paris	5.5155	8.8475	3.3765	—	0.3427*	3.0007	6.1437	3.8077	4.5409*	4.0895	2.9875*
Tokyo	122.10	196.46	74.57	22.18	0.757	66.37	2.6154	85.80	—	90.40	0.9031
Toronto	1.3475	2.16	0.8223	0.2436	0.0836*	0.7022	0.3984*	0.9463	1.1087*	—	0.971*
Zurich	1.4037	2.2028	0.8483	0.2572	0.0873*	0.7732	4.2965*	—	1.1731*	1.0568	1.0259*
1 ECU	1.1095	0.7415	1.9403	6.5687	1,917.55	2.1026	40.0662	1.6076	144.417	1.6043	164.532
1 SDR	1.3947	0.8706	2.2783	7.6923	2,248.28	2.5591	47.0558	1.9714	178.149	1.8799	192.908

Closings in Amsterdam, London, Milan, New York, Paris, Toronto, and Zurich. fixings in other centers.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Libid-Libor Rates

Jan. 31

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5⅜ - 5½	3 - 3⅛	1⅝ - 1¾	6⅛ - 6¼	3 5/16 - 3 7/16	⅜ - ½	4 - 4⅛
3-month	5⅜ - 5½	3 - 3⅛	1½ - 1⅝	6 3/16 - 6 5/16	3 5/16 - 3 7/16	⅜ - ½	4 - 4⅛
6-month	5½ - 5⅝	2⅞ - 3⅛	1 9/16 - 1 11/16	6 5/16 - 6 7/16	3¼ - 3⅜	7/16 - 9/16	3 15/16 - 4 1/16
1-year	5 11/16 - 5 13/16	3 - 3¼	1⅝ - 1⅞	6½ - 6¾	3¼ - 3½	½ - ⅝	3 15/16 - 4 1/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds	5⅛	5¼
90-day CDs dealers	5.42	5.43
180-day CP dealers	5.32	5.32
3 month Treasury bill	5.02	5.04
1-year Treasury bill	5.28	5.27
2-year Treasury bill	5.97	5.98
5-year Treasury note	6.24	6.33
7-year Treasury note	6.35	6.44
10-year Treasury note	6.49	6.58
30-year Treasury bond	6.78	6.87
Merrill Lynch 30-day RA	4.91	4.91
Japan		
Discount rate	0.50	0.50
Call money	0.43	0.43
1-month interbank	0.53	0.53
3-month interbank	0.56	0.56
6-month interbank	0.59	0.56
10-year Govt bond	2.47	2.47
Germany		
Lombard rate	4.50	4.50
Call money	4.25	3.20
1-month interbank	3.15	3.15
3-month interbank	3.15	3.15
6-month interbank	3.15	3.15
10-year Bond	5.76	5.79

Britain		
Bank base rate	6.00	6.00
Call money	6⅛	6⅛
1-month interbank	6⅛	6⅛
3-month interbank	6¼	6¼
6-month interbank	6⅜	6¼
10-year Gilt	7.40	7.47
France		
Intervention rate	3.10	3.10
Call money	3⅜	3¼
1-month interbank	3¼	3¼
3-month interbank	3⅜	3¼
6-month interbank	3¼	3⅜
10-year OAT	5.68	5.64

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	345.85	345.30	—2.90
London	345.00	345.50	—3.75
New York	347.70	346.00	—3.70

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (April.)
Source: Reuters.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	256.78	Mex. peso	7.834	S. Afr. rand	4.5665
Australian $	1.3141	Hong Kong $	7.7485	N. Zealand $	1.4491	S. Kor. won	864.25
Austrian sch.	11.517	Hung. forint	170.17	Norw. krone	6.5032	Swed. krona	7.2386
Brazil real	1.0451	Indian rupee	35.86	Phil. peso	26.34	Taiwan $	27.44
Chinese yuan	8.3238	Indo. rupiah	2373.65	Polish zloty	3.00	Thai baht	25.95
Czech koruna	27.82	Irish £	0.6284	Port. escudo	163.84	Turkish lira	115610.
Danish krone	6.2412	Israeli shek.	3.3103	Russ ruble	5634.0	UAE dirham	3.6705
Egypt. pound	3.393	Kuw dinar	0.3012	Saudi riyal	3.75	Venez. boliv.	475.75
Fin. markka	4.873	Malay. ring.	2.4865	Sing. $	1.4075		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6027	1.6018	1.6008	Japanese yen	121.94	121.47	121.00
Canadian dollar	1.3461	1.3432	1.3404	Swiss franc	1.4139	1.4093	1.4047
Deutsche mark	1.6303	1.6270	1.6232				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

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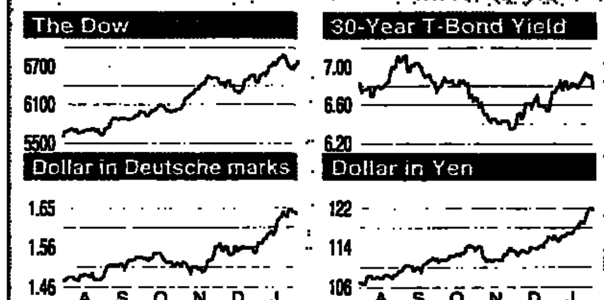


Exchange	Index	Friday Close	Prev. Close	% Change
NYSE	The Dow	6813.09	6823.86	-0.16
NYSE	S&P 500	786.16	784.17	+0.25
NYSE	S&P 100	771.80	769.66	+0.28
NYSE	Composite	411.98	411.20	+0.19
U.S.	Nasdaq Composite	1380.29	1367.51	+0.93
AMEX	Market Value	588.77	586.85	+0.33
Toronto	TSE Index	6109.66	6085.19	+0.40
São Paulo	Bovespa	79646.90	77888.40	+2.26
Mexico City	Bolsa	3647.17	3672.92	-0.70
Buenos Aires	Merval	692.51	689.21	+0.48
Santiago	IPSA General	5226.51	5205.46	+0.40
Caracas	Capital General	6414.64	6393.52	+0.32

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

Global Sales Lift Coke Profit 18%

ATLANTA (Bloomberg) — Coca-Cola Co. said Friday that fourth-quarter net profit rose 18 percent, to $762 million, against the fourth quarter of 1995 as sales outside America surged.

Total revenue rose 3 percent, to $4.44 billion.

Shipments rose a better-than-expected 11 percent as new products and heavy advertising spending helped Coke gain market share around the globe, particularly in Europe, Asia and Latin America.

"All those international numbers are a little stronger than expected," said Marc Cohen of Goldman, Sachs & Co.

• **Texas Instruments Inc.** will unveil a digital sound processor Monday that it said can process 1.6 billion instructions a second, 40 times the rate of current chips, making it easier to connect with wireless phones and to the Internet.

• **Apple Computer Inc.** cut prices on its home computers, servers and high-end PowerMacs by as much as 27 percent as the PC maker continued to struggle to shore up sales.

• **Kellogg Co.** said its profit from operations in the fourth quarter fell 2.2 percent, to $163.1 million, as sales declined 6.3 percent, to $1.56 billion.

• **Hilton Hotels Corp.** filed a tender offer for half of **ITT Corp.**'s shares as part of its unsolicited $10.5 billion bid for the hotel and casino company.

• **Mobil Corp.**'s board voted to split its common stock 2-for-1 and raise its quarterly dividend to $1.06 a share from $1.00.

• **Tyco International Ltd.** filed with the Securities and Exchange Commission to sell as much as $900 million of securities.

• **Mexico** has taken a 24.5 percent stake, valued at $200 million, in **Transportacion Ferroviaria Mexicana**, a joint venture between **Transportacion Maritima Mexicana** and **Kansas City Southern Industries** that won the concession for Mexico's Pacific Northeast Railway with a $1.4 billion bid.

Bloomberg, AFX, Bridge News

Tax Changes Target Wall Street

New Clinton Budget Also Aims at Big Business

By Clay Chandler
Washington Post Service

WASHINGTON — President Bill Clinton's fiscal 1998 budget will propose a package of tax changes aimed primarily at big corporations and Wall Street firms that would raise the Treasury's revenue by $39 billion over the next five years, according to administration officials.

The measures are largely a reprise of the corporate tax proposals that Mr. Clinton included in last year's budget, along with the handful of revenue-raisers he added during the campaign to finance education programs and other initiatives.

Administration officials touted them Thursday as a measure of Mr. Clinton's willingness to force big business and powerful interest groups to share the pain of fiscal austerity with recipients of Medicare, welfare and other federal programs.

The package, they noted, included more than three times the revenue that would be gained from a list of cuts in "corporate welfare" proposed by a politically diverse coalition of House and Senate members and political activists from both parties earlier this week.

The proposed budget would effectively kill many of Wall Street's most popular provisions for minimizing tax payments — and, in the process, curtail some strategies often used by individuals as well.

For example, it would eliminate a technique called "selling short against the box," which allows investors to lock in profits while pushing their capital gains into the future.

Selling short involves borrowing stock and then selling it, hoping to replace the shares at a cheaper price later. Selling short against the box entails selling borrowed shares, but instead of buying shares to replace them later, the investor uses shares already owned. That locks in profits and defers taxes.

Another provision in the Clinton plan would force buyers of such assets as stocks and mutual fund shares to use "average cost basis" in calculating taxable profits when they sell. Under current law, an investor who owns shares purchased at different prices can use any of three methods to compute profits.

The plan also would make it less attractive to financial institutions and Wall Street firms to own tax-exempt municipal bonds.

Under current law, such institutions get a break not given to individuals or other corporations when they deduct their own interest payments on their debt at the same time that they get tax-exempt interest income from their bonds.

"While there has been a lot of bipartisan support for the notion of closing corporate loopholes and unwarranted subsidies, the president's balanced budget plan is the only one that has called for significant savings," a senior administration official said.

In the search for budget balance "we are as willing to look at unwarranted subsidies as we are at entitlements and other federal spending."

Many of the measures are aimed at eliminating or restricting the ability of companies to deduct various kinds of interest, to escape tax on dividends and to avoid U.S. taxes by deducting tax payments to foreign governments.

A similar list of tax proposals drew harsh criticism last year from congressional Republicans who decried the provisions as harmful tax increases on business.

Although officials on both ends of Pennsylvania Avenue have softened their rhetoric this year and say they expect to work out budget differences, the administration's tax package seems certain to rekindle some Republican opposition.

In a speech in Dallas earlier this month, the chairman of the House Ways and Means Committee, Representative Bill Archer, Republican of Texas, vowed to block any effort to raise taxes on companies that generate new jobs.

Rosy GDP Data Keep Wall Street Rally Alive

Compiled by Our Staff From Dispatches

NEW YORK — Prices of most stocks advanced for a third day Friday after a report on economic growth in the fourth quarter showed the economy was steaming ahead with few signs of inflation.

"The fourth quarter of 1996 was exceptional," said Alan Kral, a fund manager at Trevor Stewart Burton & Jacobsen.

"We think the economy is sufficiently strong to provide earnings growth going forward."

Although a late decline in General Electric, General Motors and oil shares sent the Dow Jones industrial average 10.77 points lower to 6,813.09, the 30-stock average ended the month with a gain of 365 points, or 5.7 percent.

Broader measures ended higher, though they also gave back much of their early advance, which had been spurred by a large drop in interest rates in the bond market.

The broader market was able to hold part of the day's gains with some help from Coca-Cola, which said fourth-quarter earnings grew 18 percent. The stock rose ⅜ to 58.

The Standard & Poor's 500-stock index rose 1.99 point to 786.16, coming within a point of its Jan. 22 all-time high and bringing its gain for the month to 6.1 percent. The Nasdaq composite index climbed 8.83 points to 1,379.85, up 6.9 percent for the month.

Advancing stocks outnumbered declining issues by a 14-11 ratio on the New York Stock Exchange, where volume reached 579.4 million shares.

More than 11.6 billion shares changed hands this month on the Big Board, eclipsing the October record of 9.7 billion.

Stocks got a boost most of the day as yields on the benchmark 30-year Treasury bond slumped to 6.78 percent from 6.87 percent. The price surged to close at 96 11/32, up from 95 11/32.

U.S. STOCKS

The Commerce Department said the economy grew at a 4.7 percent annual rate in the final three months of 1996. An inflation measure in the report showed prices had advanced at the lowest quarterly rate since 1967.

Falling yields helped banks, which make more loans as rates decline. Chase Manhattan, the largest U.S. bank, rose ¾ to 92½.

Concern that the best-of-all-worlds scenario might not last much longer also drove investors toward investing in familiar names such as Johnson & Johnson, which rose ⅞ to 57¾.

Computer-industry companies extended their previous day's rally amid hopes for continued growth.

Intel rose 2⅛ to a record 162¼, bringing the No. 1 chipmaker's three-day gain to 11¼.

Anadigics soared 7¾ to 53¼. The maker of integrated circuits almost tripled its profit estimate for the fourth quarter. *(Bloomberg, AP)*

MODEL: *American Economic Gurus Grasp the Opportunity to Preach the Gospel of U.S. Rebirth*

Continued from Page 1

to the race by European governments to prepare for monetary union would be effective "only when accompanied by structural reforms including a more flexible labor market, more deregulation, more investment in research and development, and other measures that free up Europe's capacity to grow."

"What we are urging is that they adopt pro-growth policies," Mr. Eizenstat said in an interview.

He singled out for criticism what he called the "lack of competition in major European industries such as energy, aviation and telecommunications," saying this had proved a "major deterrent" to growth and job creation.

Lawrence Summers, the U.S. deputy Treasury secretary, pronounced the U.S. economic performance "super," although he also sought to warn against "hubris" or complacency.

"We have low inflation, high investment and no financial strains," he said. Mr. Summers warned, however, that analysts of the U.S. economy who contend that it had escaped the ups and downs of traditional business cycles onto a plateau of long-lasting prosperity would be proved wrong.

The American system also has its social costs, he emphasized, citing the statistic that U.S. jails and prisons hold 2 percent of American adult males.

The European model, by contrast, is coming under harsh scrutiny at this year's meetings.

"The world has changed, yet in Europe people want to hold onto the status quo," said Horst Siebert, a German economist who is president of the Kiel Institute of World Economics. "The majority of the European countries have not succeeded in adjusting their labor market institutions and their social security systems to the needs of the globalized world," he said.

Europe's insistence on maintaining expensive forms of job guarantees and other labor benefits had cost it the ability to create jobs, Mr. Siebert said.

Jacques Barrot, France's minister of social and labor affairs, said Europe needed to adapt its economies and social institutions "without losing our sense of social solidarity." He said France was struggling to increase the mobility of workers and to further open its financial system to the global economy while still providing security. In this endeavor, he said, "fear is the enemy."

John Sweeney, president of the AFL-CIO, the largest U.S. labor organization, provided a trenchant critique of American capitalism, which he called a "highly costly toxic export." Across the globe, he said, "the effort to compete by cutting back on basic rights is meeting growing resistance among working people."

■ Dollar Meets Resistance

The dollar fell for a second day against the yen and was little changed against the Deutsche mark after German officials hinted the U.S. currency may have risen far enough, Bloomberg News reported from New York. A Bundesbank official, Guntram Palm, said the dollar's rise would be a "major" matter of discussion at next week's meeting of the Group of Seven nations in Berlin.

Earlier, Chancellor Helmut Kohl said the mark had "mostly" reversed its surge of 1995, suggesting that Germany may not favor a further slide by the mark.

The comments increased concern that leaders of the G-7 nations may signal that they do not want the dollar to keep climbing.

The dollar ended in New York at 1.6386 DM, up from 1.6363 DM on Thursday. It was also at 121.425 yen, down from 121.855 yen, at 1.4239 Swiss francs, up from 1.4233 francs, and at 5.5293 francs, up from 5.5230 francs. The pound fell to $1.6030 from $1.6135.

AMEX

Friday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	6849.26	6873.87	6808.08	6813.09	—10.77
Trans	2330.86	2347.37	2319.01	2324.10	—4.62
Util	234.26	234.63	232.18	232.53	—1.68
Comp	2122.73	2130.44	2110.56	2112.32	—4.95

Standard & Poors

	High	Low	Close	Chg.
Industrials	929.86	921.13	922.99	+1.86
Transp.	566.34	556.45	558.23	—3.84
Utilities	200.50	199.26	199.31	—0.78
Finance	88.90	87.63	88.30	+0.67
SP 500	791.86	784.17	786.16	+1.99
SP 100	778.15	769.66	771.80	+2.14

NYSE

	High	Low	Last	Chg.
Composite	414.44	411.20	411.98	+0.78
Industrials	522.34	518.52	518.93	+0.41
Transp.	368.56	364.22	365.41	—0.98
Utility	268.98	266.62	267.93	+1.31
Finance	375.45	371.86	373.66	+1.80

Nasdaq

	High	Low	Last	Chg.
Composite	1381.97	1377.80	1380.29	+9.27
Industrials	1158.42	1155.25	1158.42	+7.55
Banks	1342.15	1333.38	1342.15	+10.92
Insurance	1453.06	1446.60	1446.60	—5.64
Finance	1677.08	1672.22	1674.16	+4.23
Transp.	879.49	875.69	878.25	+0.66

AMEX

High	Low	Last	Chg.
590.38	588.63	588.77	+0.11

Dow Jones Bond

	Close	Chg.
20 Bonds	103.24	+0.05
10 Utilities	100.21	—0.02
10 Industrials	106.26	+0.12

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
MercFn	414156	2⅝	1 15/16	2	[illegible]
TrigonH n	77172	19	15⅝	17⅝	—
WalMart	57031	24¼	23¼	23⅝	+⅛
MicrnT	57073	35⅝	34⅜	34⅝	—⅝
FstData s	55241	37⅝	35⅝	36	—1
PepsiCo s	52483	34⅞	34⅜	34⅞	+⅜
LearnCo	50790	15⅝	12⅜	12⅜	—3⅜
Textrnt	43581	80½	75⅜	78⅝	+3⅞
CocaCl s	43006	58½	57⅜	58	+⅜
AT&T s	41359	39½	39	39⅜	—
BrwnFr	39489	32⅝	31⅛	32½	+2½
GnMotr	37461	60½	58⅝	59	—1⅛
Merck	36125	92⅝	90⅝	90⅝	+⅜
HmeDep	35817	50⅝	49⅝	49½	—⅛
PhilMr	34975	121⅛	118½	118⅝	—1

Nasdaq

	Vol.	High	Low	Last	Chg.
Novell	143939	12⅛	11⅛	12⅝	+⅞
Cisco s	127548	69⅞	67⅞	69¾	+2¼
Intel	125458	164	160¼	162¼	+2⅛
Microsft s	107736	103⅛	100⅞	102	+⅛
Oracle s	95181	39⅛	37½	38⅞	+1⅜
TeleComA	90270	13⅝	13⅛	13 1/16	—7/16
RainSft s	80875	25½	19	25⅝	—1⅜
WorldCm s	53872	25½	24⅞	25⅛	—
ApldMat	51073	49⅝	47⅜	49⅞	+1
Informx	49414	22⅛	20⅝	20⅞	—1⅛
3Com	49282	67½	66¼	67⅜	+1⅜
Netscpe	42878	38¾	37⅞	37⅞	+2¼
SunMic s	42713	32¼	31⅜	31⅝	+⅛
Cellstar	41423	23⅞	22	23⅝	+1⅞
DellCpt s	39580	67⅛	64⅛	66⅛	+⅛

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	29098	79 13/16	78½	78⅞	—
XCL Ltd	12034	5/16	¼	5/16	+1/16
TWA	11747	6⅝	6¼	6 9/16	—
GreyhndL	10851	5½	4⅞	5½	+9/16
HanvDir	10334	1⅛	15/16	1	+⅛
Harken	7405	3 1/16	3⅝	3⅝	—
RoyalO g	5923	3 1/16	2 15/16	3	—
EchoBay	5822	6⅞	6⅛	6 13/16	+1/16
ViacB	5703	34⅝	34⅛	34⅛	—¼
Amdhl	5219	11⅛	11⅜	11⅜	+⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1474	1561
Declined	1111	931
Unchanged	812	843
Total Issues	3397	3335
New Highs	193	114
New Lows	23	16

Nasdaq

	Close	Prev.
Advanced	2173	2127
Declined	1825	1862
Unchanged	1736	1743
Total Issues	5734	5732
New Highs	210	185
New Lows	63	65

AMEX

	Close	Prev.
Advanced	293	274
Declined	250	225
Unchanged	202	220
Total Issues	745	719
New Highs	33	25
New Lows	3	8

Market Sales

	Today Close	Prev. cons.
NYSE	574.51	429.44
Amex	21.33	26.70
Nasdaq	638.74	653.64
In millions.		

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Unimar Co	-	.64	2-14	3-3
STOCK SPLIT				
Anadigics Inc 3 for 2 split.				
Borders Group 2 for 1 split; pay date unannounced.				
IMC Mtg 2 for 1 split.				
Mobil Corp 2 for 1 split.				
REVERSE STOCK SPLIT				
Leak X Environ 1 for 13 reverse split.				
TelMed Inc 1 for 7 reverse split.				
INCREASED				
Imasco Ltd g	Q	.30	2-28	3-31
Mobil Corp	Q	1.06	2-10	3-10
REGULAR				
AFLAC Inc	Q	.10	2-20	3-3
Arctic Cat	Q	.06	2-17	3-3
Artesian Res A	Q	.23	2-12	2-20
CT Energy	Q	.33	3-14	3-31
Central Fidel Bk	Q	.22	3-14	4-4
Coachmen Ind	Q	.05	2-13	3-6
Dean Foods	Q	.19	2-14	3-14
Deluxe Corp	Q	.37	2-18	3-3
Diagnostic Prod	Q	.12	2-5	2-19
Ethan Allen	Q	.04	4-10	4-25
Fst OakBrook A	Q	.13	4-10	4-22
Franchise Fin	Q	.45	2-10	2-20
Fred Hollywood	Q	.025	3-14	4-1
Hancock PatPf Dv	M	.096	2-10	2-28
Horizon Fin	Q	.08	3-7	3-28
Internet Corp	.	.04	3-1	3-31
Interstated Pwr	Q	.52	2-20	3-20
Invacare Corp	Q	.0125	4-1	4-15
McDonnell Doug	Q	.12	2-28	4-7
Mutual Risk	Q	.09	2-7	2-21
Omnicom Grp	Q	.30	3-14	4-3
Pennfed Fincl	Q	.07	2-14	2-28
Penn Engineering	x	.10	3-14	4-2
x- also payable on class A.				
Public Svc NC	Q	.22	3-10	4-1
Republic Sec	Q	.03	2-18	3-3
Robinson Nugent	Q	.03	2-13	2-27
Strater Prop	Q	.22	2-20	3-4
Smithfield Cos	Q	.06	2-7	2-28
Templeton	M	.05	2-13	2-28
Gibinco				
Times Mirror A	Q	.10	2-21	3-10
US Facilities	Q	.06	3-17	3-28
Wackenhut A&B	Q	.065	2-17	3-3
Westinghouse Air	Q	.01	2-14	2-28

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Jan. 31, 1997

Grains

	High	Low	Close	Chge	Opint
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	273	269½	270	—3¼	119,532
May 97	271	267¾	269	—2¾	70,053
Jul 97	270	266½	267	—3	65,747
Sep 97	265	262¾	263	—1¾	9,801
Dec 97	265	263¼	264	—1	44,298
Est. sales N.A. Thu's. sales 40,445					
Thu's open int 315,312 up 1912					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Mar 97	238.00	235.10	236.90	—0.60	37,273
May 97	233.00	229.80	231.50	—0.70	23,380
Jul 97	230.90	228.10	229.80	—0.80	19,846
Aug 97	228.00	226.00	227.50	—0.70	3,516
Sep 97	223.00	221.80	221.80	—1.70	2,429
Oct 97	214.70	213.00	213.00	—0.80	1,047
Est. sales N.A. Thu's. sales 24,596					
Thu's open int 90,187 up 370					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Mar 97	23.89	23.65	23.72	—0.15	44,220
May 97	24.25	24.05	24.15	—0.13	18,953
Jul 97	24.60	24.42	24.50	—0.17	14,994
Aug 97	24.80	24.60	24.60	—0.20	3,130
Sep 97	24.85	24.75	24.75	—0.15	2,529
Oct 97	24.95	24.90	24.90	—0.13	807
Est. sales N.A. Thu's. sales 16,913					
Thu's open int 89,160 off 1372					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	742¼	733½	739	—2½	75,204
May 97	748	733	738	—2¾	37,870
Jul 97	741	733	737	—3¾	34,541
Aug 97	734	729	732	—4	5,186
Sep 97	707	703	703	—5¼	1,549
Est. sales N.A. Thu's. sales 52,952					
Thu's open int 171,700 off 865					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	370	357	358½	—11¾	26,490
May 97	356	347	348	—8½	10,895
Jul 97	344	335	338	—7¼	24,511
Sep 97	347	339	341½	—6¼	1,571
Est. sales N.A. Thu's. sales 7,768					
Thu's open int 65,180 up 528					

Livestock

	High	Low	Close	Chge	Opint
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Feb 97	64.77	64.40	64.75	+0.35	16,908
Apr 97	66.85	66.30	66.80	+0.40	40,986
Jun 97	65.08	64.55	65.08	+0.52	14,222
Aug 97	64.75	64.25	64.75	+0.50	16,742
Oct 97	67.85	67.50	67.75	+0.25	9,418
Dec 97	70.15	69.95	70.15	+0.27	3,948
Est. sales N.A. Thu's. sales 21,454					
Thu's open int 104,095 off 565					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Mar 97	69.90	69.35	69.65	+0.25	7,787
Apr 97	70.15	69.80	70.00	+0.20	2,947
May 97	71.00	70.60	70.95	+0.40	4,421
Aug 97	74.80	74.40	74.67	+0.25	3,977
Sep 97	75.45	75.15	75.25	+0.05	1,142
Oct 97	76.00	75.80	75.95	+0.22	1,604
Est. sales N.A. Thu's. sales 3,453					
Thu's open int 23,150 up 125					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Feb 97	75.50	74.25	74.95	—0.45	7,867
Apr 97	75.50	74.25	74.75	—0.95	12,921
Jun 97	80.47	79.80	80.20	—0.47	7,466
Jul 97	78.50	77.92	78.25	—0.37	1,693
Aug 97	75.20	74.27	75.20	+0.20	1,404
Oct 97	68.12	67.45	67.95	—0.15	1,344
Est. sales N.A. Thu's. sales 8,047					
Thu's open int 34,149 off 44					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 97	79.60	77.50	77.62	—1.75	2,773
Mar 97	78.95	76.30	76.37	—2.62	2,036
May 97	79.90	77.20	77.30	—2.45	2,856
Jul 97	78.40	76.85	77.20	—1.70	646
Aug 97	75.40	74.05	74.05	—1.35	428
Est. sales N.A. Thu's. sales 3,364					
Thu's open int 8,739 up 311					

Food

	High	Low	Close	Chge	Opint
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 97	1334	1311	1314	—6	21,782
May 97	1358	1340	1341	—6	23,008
Jul 97	1383	1365	1369	—5	13,486
Sep 97	1406	1394	1394	—4	9,103
Dec 97	1428	1419	1419	—3	3,861
Est. sales N.A. Thu's. sales 6,292					
Thu's open int 89,403 off 456					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Mar 97	142.00	137.00	139.40	—0.90	23,066
May 97	136.50	132.80	134.95	+0.45	10,290
Jul 97	133.00	128.75	131.40	+0.20	4,853
Sep 97	129.00	125.50	128.80	+1.05	2,847
Est. sales N.A. Thu's. sales 11,732					
Thu's open int 43,760 up 221					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 97	10.54	10.42	10.45	+0.06	64,368
May 97	10.51	10.40	10.41	+0.01	36,833
Jul 97	10.44	10.39	10.31	—0.01	27,571
Oct 97	10.47	10.35	10.36	—0.01	17,708
Est. sales N.A. Thu's. sales 8,722					
Thu's open int 154,649 up 229					
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Mar 97	89.50	87.25	87.25	—0.05	16,827
May 97	92.10	90.00	90.50	+0.30	4,914
Jul 97	95.00	93.25	93.60	+0.40	2,543
Sep 97	97.50	97.00	97.25	+1.25	2,095
Est. sales N.A. Thu's. sales 3,500					
Thu's open int 1 off 28090					

Metals

	High	Low	Close	Chge	Opint
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Feb 97	347.30	344.40	345.70	—0.50	13,043
Mar 97			346.60		68
Apr 97	348.70	345.50	346.00	—1.50	94,170
Jun 97	351.00	347.60	348.40	—1.30	22,790
Aug 97	352.60	349.30	350.50	—1.50	8,479
Oct 97	355.30	352.50	353.50	—0.90	3,784
Dec 97	358.20	355.00	355.00	—1.80	17,427
Feb 98			359.30		2,870
Est. sales N.A. Thu's. sales 78,946					
Thu's open int 196,350 up 7875					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Feb 97	106.30	103.00	105.60	+3.30	2,813
Mar 97	103.90	100.50	103.75	+2.55	22,008
Apr 97	101.95	101.30	101.95	+2.05	1,283
May 97	100.70	98.90	100.60	+1.80	6,856
Jun 97	99.00	99.00	99.00	+0.60	779
Jul 97	99.30	97.70	99.30	+1.70	4,582
Aug 97			96.95		610
Sep 97	98.80	96.80	98.20	+1.80	2,597
Oct 97			95.80		582
Est. sales N.A. Thu's. sales 11,085					
Thu's open int 50,463 off 2947					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Feb 97	490.00	481.50	481.50	—12.00	2
Mar 97	498.00	481.00	490.50	—5.00	57,927
Apr 97			487.80		
May 97	501.50	486.00	496.00	—4.10	12,119
Jul 97	506.50	490.00	500.00	—4.70	8,841
Sep 97	506.50	504.00	506.50	—2.90	3,001
Dec 97	516.50	503.50	508.00	—8.60	4,672
Jan 98			519.40		9
Est. sales N.A. Thu's. sales 22,621					
Thu's open int 90,570 up 1273					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Apr 97	356.40	351.00	352.50	—3.20	20,246
Jul 97	358.00	353.50	354.50	—3.10	3,377
Oct 97	361.00	355.50	355.50	—4.40	2,271
Jan 98	360.00	360.00	360.00	—2.30	1,080
Est. sales N.A. Thu's. sales 2,464					
Thu's open int 26,974 up 71					

LONDON METALS (LME)
Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1597.00	1598.00	1584½	1585½
Forward	1622.00	1634.00	1609.00	1610.00
Copper Cathodes (High Grade)				
Spot	2395.00	2400.00	2349.00	2354.00
Forward	2175.00	2177.00	2149.00	2150.00
Lead				
Spot	659.00	661.00	656.00	657.00
Forward	670.00	672.00	666.00	667.00
Nickel				
Spot	7480.00	7490.00	7190.00	7200.00
Forward	7580.00	7585.00	7290.00	7300.00
Tin				
Spot	5805.00	5715.00	5700.00	5710.00
Forward	5865.00	5870.00	5765.00	5775.00
Zinc (Special High Grade)				
Spot	1151.00	1152.00	1102.00	1103.00
Forward	1172.00	1173.00	1125.00	1126.00

Financial

	High	Low	Close	Chge	Opint
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Mar 97	94.96	94.94	94.95	+0.03	4,706
Jun 97	94.86	94.79	94.84	+0.06	3,221
Sep 97	94.66	94.62	94.65	+0.06	784
Est. sales N.A. Thu's. sales 152					
Thu's open int 8,711 off 7					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Mar 97	106-32	106-04	106-31	+ 22	183,623
Jun 97	106-14	105-61	106-14	+ 22	10,735
Sep 97	105-62	105-62	105-62	+ 22	
Est. sales 49,000 Thu's. sales 38,355					
Thu's open int 194,356 off 1350					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 97	108-28	107-25	108-25	+ 18	334,103
Jun 97	108-09	107-24	108-07	+ 18	21,162
Sep 97	107-24	107-11	107-22	+ 17	1,003
Est. sales 107,890 Thu's. sales 66,382					
Thu's open int 346,369 off 3853					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Mar 97	111-20	110-10	111-14	+ 28	402,229
Jun 97	111-04	110-00	110-30	+ 28	32,420
Sep 97	110-20	109-26	110-16	+ 28	5,958
Dec 97	110-03	110-03	110-03	+ 29	4,462
Est. sales 400,000 Thu's. sales 347,771					
Thu's open int 525,127 off 18578					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar97	101.72	101.18	101.71	+ 0.49	224,584
Jun97	100.80	100.44	100.82	+ 0.47	9,472
Est. sales: 144,563. Prev. sales: 139,221					
Prev. open int.: 234,056 up 3,102					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Mar97	111-02	110-09	110-31	+ 0-25	144,919
Jun97	110-08	109-30	110-14	+ 0-25	531
Est. sales: 67,114. Prev. sales: 63,018					
Prev. open int.: 167,470 up 453					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Mar 97	130.62	130.18	130.48	— 0.06	121,243
Jun 97	129.18	129.04	129.16	— 0.04	15,129
Sep 97	127.44	127.38	127.48	— 0.04	784
Dec 97	N.T.	N.T.	96.78	— 0.10	0
Est. volume: 134,452. Open int.: 137,156 up 2,709.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar97	130.63	129.60	130.58	+ 0.11	108,786
Jun97	130.00	129.30	130.02	+ 0.09	9,878
Sep97	129.22	129.22	129.99	Unch.	500
Est. sales: 87,913. Prev. sales: 64,868					
Prev. open int.: 119,164 off 2,430					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Feb 97	94.45	94.43	94.44	+0.01	16,094
Mar 97	94.44	94.38	94.41	+0.02	396,229
Apr 97	94.38	94.34	94.37	+0.04	4,122
Jun 97	94.30	94.20	94.28	+0.05	392,777
Sep 97	94.14	93.99	94.12	+0.08	295,276
Dec 97	93.95	93.79	93.93	+0.09	217,333
Mar 98	93.84	93.72	93.83	+0.09	169,052
Jun 98	93.75	93.62	93.73	+0.08	131,644
Sep 98	93.67	93.57	93.66	+0.09	103,921
Dec 98	93.55	93.46	93.54	+0.08	88,973
Mar 99	93.53	93.43	93.51	+0.08	62,272
Jun 99	93.47	93.37	93.45	+0.08	63,803
Est. sales N.A. Thu's. sales 325,066					
Thu's open int 2,285,864 up 13979					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Mar 97	1.6034	1.5964	1.5978		34,810
Jun 97	1.6000	1.5920	1.5952		2,316
Sep 97	1.5950	1.5890	1.5916		1,038
Dec 97			1.5880		8
Est. sales 2,022 Thu's. sales 8,792					
Thu's open int 38,172 up 1222					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Mar 97	.7450	.7433	.7444		41,743
Jun 97	.7494	.7476	.7488		8,490
Sep 97	.7530	.7522	.7527		3,518
Dec 97			.7566		475
Est. sales 980 Thu's. sales 4,262					
Thu's open int 54,280 up 420					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Mar 97	.6139	.6107	.6123		78,868
Jun 97	.6176	.6146	.6160		5,156
Sep 97	.6199	.6195	.6199		2,164
Dec 97			.6239		18
Est. sales N.A. Thu's. sales 25,329					
Thu's open int 86,206 off 3887					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Mar 97	.8303	.8245	.8281		72,862
Jun 97	.8406	.8355	.8389		3,000
Sep 97	.8500	.8500	.8500		729
Est. sales N.A. Thu's. sales 15,755					
Thu's open int 77,706 off 23					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 97	.7085	.7041	.7056		47,656
Jun 97	.7150	.7115	.7123		2,711
Sep 97			.7192		2,014
Est. sales N.A. Thu's. sales 11,877					
Thu's open int 52,403 off 54					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Feb97	96.88	96.88	96.89	+ 0.01	3,367
Mar97	96.89	96.87	96.89	+ 0.01	210,079
Apr97	96.89	96.89	96.89	+ 0.01	2,888
Jun97	96.88	96.86	96.88	+ 0.01	179,771
Sep97	96.81	96.76	96.80	+ 0.01	154,236
Dec97	96.64	96.60	96.64	+ 0.02	154,543
Mar98	96.47	96.42	96.46	+ 0.03	123,704
Jun98	96.25	96.19	96.25	+ 0.03	96,623
Sep98	96.00	95.94	96.00	+ 0.04	77,692
Dec98	95.72	95.66	95.71	+ 0.04	67,578
Mar99	95.43	95.40	95.44	+ 0.03	43,287
Jun99	95.18	95.16	95.18	+ 0.03	23,491
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Mar97	93.65	93.62	93.64	+ 0.01	102,382
Jun97	93.40	93.35	93.39	+ 0.01	106,136
Sep97	93.18	93.12	93.18	+ 0.03	68,293
Dec97	93.00	92.92	92.99	+ 0.04	52,866
Mar98	92.87	92.79	92.86	+ 0.04	39,517
Jun98	92.77	92.68	92.76	+ 0.05	32,140
Sep98	92.68	92.60	92.68	+ 0.06	21,881
Dec98	92.60	92.52	92.60	+ 0.06	18,286
Mar99	92.55	92.46	92.52	+ 0.06	9,009
Jun99	92.49	92.40	92.46	+ 0.06	7,333
Sep99	92.45	92.25	92.41	+ 0.06	7,399
Dec99	92.40	92.31	92.38	+ 0.07	2,335
Est. sales: 53,145. Prev. sales: 46,941					
Prev. open int.: 469,547 up 6,147					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Mar 97	96.72	96.66	96.67	— 0.08	75,732
Jun 97	96.74	96.69	96.69	— 0.10	48,696
Sep 97	96.72	96.66	96.68	— 0.06	36,765
Dec 97	96.64	96.57	96.61	— 0.06	23,821
Mar 98	96.51	96.46	96.51	— 0.02	18,062
Jun 98	96.36	96.29	96.33	— 0.02	16,690
Sep 98	96.13	96.09	96.12	— 0.02	11,336
Dec 98	95.87	95.84	95.87	+ 0.01	11,113
Mar 99	95.61	95.58	95.59	— 0.02	12,578
Jun 99	95.34	95.32	95.34	+ 0.00	5,686
Sep 99	95.06	95.06	95.06	— 0.01	2,982
Dec 99	94.83	94.82	94.83	— 0.01	1,241
Est. volume: 124,167. Open int.: 264,702 up 10,559.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar97	93.13	93.01	93.12	Unch.	90,773
Jun97	93.65	93.51	93.64	Unch.	70,639
Sep97	93.97	93.82	93.97	Unch.	44,123
Dec97	94.15	93.99	94.15	Unch.	22,297
Mar98	94.23	94.07	94.22	— 0.01	15,671
Jun98	94.21	94.09	94.20	— 0.02	10,243
Est. sales: 74,777. Prev. sales: 54,054					
Prev. open int.: 263,940 off 296					

Industrials

	High	Low	Close	Chge	Opint
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Mar 97	75.30	74.64	75.20	+0.55	20,770
May 97	76.65	76.05	76.60	+0.55	18,715
Jul 97	77.40	76.95	77.40	+0.37	8,560
Oct 97	77.25	77.25	77.25	+0.05	1,483
Dec 97	77.40	77.05	77.40	+0.35	12,388
Mar 98	78.10	78.10	78.10	+0.10	778
Est. sales N.A. Thu's. sales 7,500					
Thu's open int 1 off 63616					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Feb 97	70.51	68.25	68.65	—1.69	9,416
Mar 97	68.06	65.80	66.16	—1.90	32,694
Apr 97	64.80	63.10	63.49	—1.52	14,625
May 97	62.25	60.78	60.94	—1.27	5,633
Jun 97	60.00	59.25	59.34	—1.17	6,913
Jul 97	59.30	58.69	58.69	—1.12	3,464
Aug 97	59.50	58.70	58.89	—1.12	3,023
Sep 97	60.10	59.34	59.34	—1.07	3,213
Oct 97	60.40	59.74	59.74	—1.07	1,811
Nov 97	60.70	60.19	60.19	—1.02	1,525
Est. sales 54,271 Thu's. sales 48,246					
Thu's open int 92,014 off 327					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Mar 97	24.87	24.10	24.15	—0.72	78,154
Apr 97	24.36	23.65	23.71	—0.64	39,863
May 97	23.80	23.19	23.19	—0.61	22,716
Jun 97	23.20	22.75	22.74	—0.58	32,516
Jul 97	22.75	22.37	22.37	—0.55	15,707
Aug 97	22.46	22.03	22.03	—0.53	14,103
Sep 97	22.07	21.72	21.72	—0.50	16,192
Oct 97	21.70	21.41	21.41	—0.47	10,747
Nov 97	21.41	21.12	21.12	—0.46	7,495
Dec 97	21.25	20.85	20.85	—0.45	25,020
Jan 98	21.00	20.61	20.61	—0.44	12,869
Feb 98	20.50	20.42	20.42	—0.43	7,065
Mar 98	20.30	20.24	20.24	—0.42	2,275
Est. sales 89,376 Thu's. sales 79,734					
Thu's open int 352,208 off 1057					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Mar 97	2.502	2.380	2.385		29,650
Apr 97	2.232	2.130	2.139		18,511
May 97	2.112	2.040	2.040		14,053
Jun 97	2.084	2.040	2.040		8,766
Jul 97	2.080	2.045	2.045		8,695
Aug 97	2.080	2.055	2.055		7,857
Sep 97	2.085	2.065	2.065		6,482
Oct 97	2.095	2.080	2.080		8,377
Nov 97	2.205	2.185	2.190		4,630
Dec 97	2.320	2.305	2.305		7,743
Jan 98	2.360	2.335	2.340		6,430
Est. sales 21,460 Thu's. sales 28,000					
Thu's open int 152,888 up 4373					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Feb 97	69.90	67.50	68.47	—1.35	5,993
Mar 97	69.70	68.10	68.26	—1.39	31,121
Apr 97	71.30	69.70	69.76	—1.31	12,139
May 97	70.65	69.31	69.31	—1.19	8,771
Jun 97	69.20	68.01	68.01	—1.09	5,928
Jul 97	67.30	66.21	66.21	—1.04	3,025
Est. sales 33,489 Thu's. sales 34,194					
Thu's open int 71,381 off 1034					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Feb 97	215.25	206.50	209.25	— 2.75	20,968
Mar 97	205.50	200.00	201.75	— 1.75	14,939
Apr 97	197.25	194.25	195.50	— 0.25	8,051
May 97	192.00	189.25	190.00	— 0.50	3,575
Jun 97	189.00	187.00	187.25	— 0.50	7,546
Jul 97	188.50	188.50	186.75	— 0.50	2,413
Aug 97	188.00	187.50	186.50	— 0.50	1,117
Sept 97	187.50	187.50	186.25	— 0.50	895
Oct 97	187.50	187.50	186.00	— 0.50	994
Nov 97	N.T.	N.T.	185.75	— 0.50	458
Dec 97	187.00	186.00	185.50	— 0.50	3,104
Est. sales: 19,000. Open int.: 64,539 off 2,538					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Mar 97	23.21	22.50	22.52	—0.66	55,482
Apr 97	22.49	22.05	22.06	—0.57	34,292
May 97	22.21	21.66	21.62	—0.55	17,045
June 97	21.77	21.29	21.24	—0.50	17,351
July 97	21.32	20.90	20.87	—0.48	12,069
Aug 97	N.T.	N.T.	20.53	—0.48	3,187
Sep 97	N.T.	N.T.	20.23	—0.47	5,589
Oct 97	N.T.	N.T.	19.95	—0.47	2,716
Nov 97	N.T.	N.T.	19.68	—0.47	5,589
Dec 97	N.T.	N.T.	19.50	—0.40	3,716
Est. sales: 35,000. Open int.: 155,850 off 6,538					

Stock Indexes

	High	Low	Close	Chge	Opint
S&P COMP. INDEX (CMER) 500 x index					
Mar 97	796.30	786.00	786.75	—1.20	181,459
Jun 97	803.40	794.80	794.50	—0.80	9,901
Sep 97	810.50	803.15	803.15		1,799
Dec 97	818.00	814.75	818.00	+6.95	1,491
Est. sales N.A. Thu's. sales 70,674					
Thu's open int 194,650 up 449					
FTSE 100 (LIFFE) £25 per index point					
Mar97	4272.0	4234.0	4263.0	+ 40.0	59,801
Jun97	N.T.	N.T.	4282.5	+ 39.5	4,959
Sep97	4312.5	4292.0	4309.5	+ 40.0	1,396
Est. sales: 12,995. Prev. sales: 11,939					
Prev. open int.: 66,156 off 1,617					
CAC 40 (MATIF) FF200 per index point					
Jan 97	2522.0	2492.5	2519.3	+16.30	12,220
Feb 97	2525.0	2495.0	2517.0	+9.00	22,424
Mar 97	2530.0	2508.0	2523.0	+9.00	19,760
Jun 97	N.T	N.T.	2488.0	+9.50	1,856
Sep 97	2514.0	2497.0	2500.0	+10.50	6,726
Dec 97	N.T	N.T.	2520.0	+10.50	0
Mar 98	2538.0	2521.5	2538.0	+12.00	6,993
Sep 98	N.T	N.T.	2513.0	+12.00	710
Est. volume: 41,419. Open int.: 70,689 up 2,294.					

Commodity Indexes

	Close	Previous
Moody's	1,464.10	1,473.10
Reuters	1,945.80	1,951.50
D.J. Futures	151.17	150.77
CRB	238.19	240.56

أخبار الأول

مكتبة الأهرام

Kohl Sees Jobless Rate Falling

Compiled by Our Staff From Dispatches

BONN — Chancellor Helmut Kohl said Friday that he expected a downturn late this spring in the number of Germans unemployed, despite official predictions that joblessness would reach record levels this year.

He predicted that the number of unemployed in 1997 would average 4.1 million after hitting a peak in the spring. An average of just under 4 million people were unemployed in 1996, with a record 10.8 percent, or 4.1 million, idled in December.

Mr. Kohl also said he was confident that growth in Germany would accelerate in 1997. Speaking to Parliament, the chancellor confirmed government forecasts that gross domestic product would expand by 2.5 percent this year after growing 1.4 percent in 1996.

He said expanding world trade and a weakening of the Deutsche mark would add to growth.

One of every five jobs in Germany depends on exports, he said.

The chancellor reiterated his government's goal of cutting unemployment in half by the end of the decade.

"We expect to have a turnaround on the job market this year," he said.

The jobless rate could drop and between 100,000 and 200,000 jobs be created if companies cut overtime hours, Mr. Kohl said, also urging the creation of more part-time jobs.

The 1.8 billion hours of overtime now being worked each year is too much, he said.

"We are talking about the solidarity of those with jobs and those without jobs," Mr. Kohl said.

He predicted 2 million part-time jobs could be created.

Mr. Kohl said women had filled 2 million of the 3 million jobs created in Western Germany in the past decade. The percentage of women working in Western Germany has climbed to 60 percent from 46 percent in 1970.

"The consequences cannot be overlooked," he said. Mr. Kohl said a contributing factor to high unemployment was the arrival of 1.1 million immigrants in Germany in 1995. *(Reuters, AFP, AFX)*

■ **French Joblessness Steady**

The unemployment rate in France was unchanged in December, remaining at a record 12.7 percent, or nearly 3.1 million people, the Labor Ministry said, according to an Associated Press report from Paris.

The number of job-seekers fell 29,000 in December, reversing a rise of 20,700 in November.

The National Employment Agency also said there had been a decline in the number of jobless young people.

At the end of December, 34.2 percent of those registered with the agency had been on its books for more than one year, down 0.2 percentage point from December 1995. But there still were 2.9 percent more people registered than there were a year earlier.

U.S. and U.K. Firms Bid for Britain's Digital-TV Licenses

Bloomberg News

LONDON — International CableTel Inc., a U.S. cable-television operator, and a separate group formed by Granada Group PLC, British Sky Broadcasting PLC and Carlton Communications PLC said Friday they were bidding for licenses to deliver digital-TV services that could be picked up on regular antennas.

If successful, the two bidders — each seeking three of the six available licenses — would dominate a system that is due to start in mid-1998 and to gradually replace traditional analog television.

Although companies in Italy, France and Germany began offering digital satellite pay-TV services last year, the United Kingdom is expected to be the first country to offer digital TV that is broadcast from land-based transmission towers.

BSkyB has said it will also launch 200 channels of satellite-delivered subscription TV in the United Kingdom this autumn.

"Going digital is the most important development for British television since the introduction of color," Michael Green, chairman of Carlton, said. The service will offer a better quality of reception as well as a greater channel capacity, he said.

International CableTel, which owns several U.K. cable-TV franchises, denied a report that it would be joined in its bid by United News & Media PLC, Canal Plus SA and Merrill Lynch & Co.

Granada, Carlton and BSkyB said they had formed a joint venture, British Digital Broadcasting PLC, to bid for three licenses. The venture, owned equally by the three U.K. media companies, said it would invest £300 million ($484 million) if it won the licenses.

"To get digital terrestrial TV to fly, the companies believe they need three licenses — you've got to have that critical mass," David Beck, a spokesman for BSkyB, said.

The licenses would give BSkyB access to the 76 percent of U.K. homes that do not currently receive its analog subscription-based satellite TV service in Britain via cable or satellite dishes.

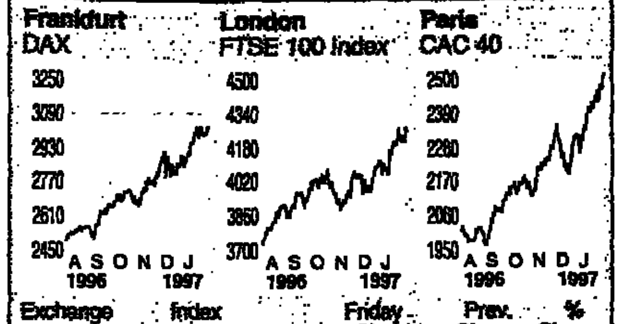
Mr. Beck said BSkyB, Carlton and Granada would pool their investments in programming and developing the digital set-top boxes that will be required to decode digital television before television sets are adapted for it.

Shares in the three companies surged Friday. BSkyB closed at 599 pence, up 19, Carlton gained 37 to 559, and Granada rose 18 to 897.

The venture intends to offer viewers 15 subscription channels, including two from the BBC and three premium movie and sports channels.

British Digital Broadcasting is expected to be profitable within five years, the companies said.

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	EOE	675.68	675.09	+0.09
Brussels	BEL-20	2,051.54	2,045.87	+0.28
Frankfurt	DAX	3,035.15	3,017.32	+0.59
Copenhagen	Stock Market	511.61	507.15	+0.88
Helsinki	HEX General	2,777.13	2,712.73	+2.37
Oslo	OBX	577.61	573.38	+0.74
London	FTSE 100	4,275.80	4,228.40	+1.12
Madrid	Stock Exchange	465.59	459.49	+1.33
Milan	MIBTEL	12,421.00	12,246.00	+1.43
Paris	CAC 40	2,516.56	2,503.06	+0.54
Stockholm	SX 16	2,717.28	2,675.33	+1.57
Vienna	ATX	1,174.62	1,170.16	+0.38
Zurich	SPI	2,728.33	2,689.38	+1.45

Source: Telekurs — International Herald Tribune

Holzmann Expects to Break Even

Compiled by Our Staff From Dispatches

FRANKFURT — Philipp Holzmann AG, Germany's largest construction company, said it would break even in 1996 after the sale of assets and property offset an operating loss and write-offs totaling a billion Deutsche marks ($610 million).

The company said 1996 output, a measure of sales, was "nearly" 14 billion DM, down from 14.1 billion DM in 1995. New orders rose to 16 billion DM from 15.6 billion DM.

"Under a conceivably unfavorable economic climate and competitive conditions, we were still able to turn the trend around," said the company's chief executive, Lothar Mayer. The company's shares, however, fell against the market trend Friday despite the report that it would break even. The shares fell 2 DM to 421 DM on an otherwise strong Frankfurt stock exchange.

Some investors said they were skeptical that Holzmann would be able to avoid a loss for 1996 or do better in 1997, especially as analysts expect German construction to stay in a slump until 1998. Earlier this month, the HDB industry association said construction investment in Germany should decline 1.4 percent this year.

Juergen Boeschges, fund manager at Internationale Kapitalanlagegesellschaft mbH, Dusseldorf, said he was "still a bit doubtful" that Holzmann could avoid a loss.

"Even though Holzmann has undertaken restructuring measures," he said, "the construction market is still difficult, making it hard to improve margins." *(Reuters, Bloomberg)*

Very briefly:

- **Scottish Amicable Life Assurance Society** rejected an offer from Abbey National PLC, Britain's second-largest mortgage lender, that valued the life insurer at as much as £1.4 billion ($2.2 billion).
- **AXA-UAP SA**, the world's second-largest insurer, sold minority stakes in Scor SA, a French reinsurer, and Compagnie de Suez SA, a holding company, for 1.29 billion francs ($234 million).
- **British utility stocks** rose after Southern Electric PLC announced plans for a complicated share buy-back valued at as much as £156 million.
- **Julius Baer Holding AG**, a Swiss private-banking and asset-management company, said 1996 net profit rose 16 percent as commission and trading income advanced and assets under management grew 29 percent. Earnings rose to 134 million Swiss francs ($94 million) from 116 million francs in 1995.
- **L'Oreal SA**, the world's largest cosmetics company, said revenue in 1996 rose 13 percent, reflecting strong sales growth at its cosmetics, pharmaceuticals and skin-care businesses. Revenue came to 60.34 billion French francs, up from 53.57 billion francs in 1995.
- **Reed Elsevier Inc.** agreed to sell the adult trade division of Reed Books to Random House. Terms of the deal were not disclosed. The adult trade division includes such imprints as **William Heinemann, Mandarin Paperbacks, Methuen, Minerva, Secker & Warburg** and **Sinclair Stevenson.**
- **Finmeccanica SpA**, an Italian state-controlled industrial concern, paid 38.2 billion lire ($23.7 million) to acquire **Breda Costruzioni Ferroviarie SpA**, a railway equipment company, and other rail units of Efim SpA, a state holding company that is in liquidation. Finmeccanica said the deal included the assumption of around 180 billion lire of debt.

Bloomberg, Reuters, AFX

SAP AG's Earnings Soar 40% for Year, Beating Its Forecast

Reuters

BONN — The software developer SAP AG said Friday that foreign sales and a robust fourth quarter lifted profit in 1996 by 40 percent, surprising analysts and beating its own forecast.

Profit rose to 567 million Deutsche marks ($346 million), and sales rose 38 percent to 3.72 billion DM, helped by a 57 percent rise in international revenue and a fourth quarter that saw sales climb 49 percent, to 1.35 billion DM.

SAP said its sales could rise by a further 25 percent to 30 percent in 1997, but a continuation of the strong growth in the fourth quarter "would be too much to hope for," Dietmar Hopp, chief executive officer, said.

Over the next two to three years, expects to outpace the growth of the business management software market, where sales have boomed as companies increased their use of the Internet and of "client/server" computer systems, Mr. Hopp said.

He said SAP aimed to keep profit rising next year by keeping cost increases below the rate of sales growth.

Pretax profit for the year rose 43 percent, to 996 million DM, while per-share earnings rose 37 percent, to 5.48 DM.

Shares in SAP, which joined Germany's blue-chip DAX index last year, soared 26.50 DM to close at 242.50.

■ **Porsche Earnings Triple**

Porsche AG said net profit in its first half more than tripled and said it had contracted Valmet Oy of Finland to help meet demand for its Boxster convertibles, Bloomberg News reported from Stuttgart.

The company said net profit rose to 36 million DM in the six months that ended Friday from 10.3 million DM a year earlier.

Its single plant in Zuffenhausen cannot meet demand for its new two-seat convertible, Porsche said, so it hired Valmet to make 5,000 Boxsters a year starting this autumn. The additional cars should add 200 million DM to 300 million DM to sales, analysts said.

The Trib Index

Closing prices.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	151.25	+1.15	+0.77	+14.70
Regional Indexes				
Asia/Pacific	110.71	+1.41	+1.29	−17.54
Europe	161.94	+1.37	+0.85	+16.35
N. America	175.34	+0.20	+0.11	+36.69
S. America	129.49	+2.54	+2.00	+45.43
Industrial Indexes				
Capital goods	180.67	+0.58	+0.32	+35.96
Consumer goods	167.82	+1.17	+0.70	+21.55
Energy	178.35	+0.87	+0.49	+31.51
Finance	109.84	+1.38	+1.27	−13.67
Miscellaneous	164.78	+1.21	+0.74	+21.33
Raw Materials	176.85	+0.21	+0.12	+24.72
Service	138.39	+1.21	+0.88	+15.33
Utilities	142.94	+2.06	+1.46	+12.43

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

WORLD STOCK MARKETS

Jan. 31

Prices in local currencies. Telekurs

Amsterdam
EOE Index: 675.68 — Previous: 675.09

	High	Low	Close	Prev.
ABN-AMRO	121.40	119.40	121.70	120.40
Aegon	115.90	112.50	113.60	115
Ahold	114	112.10	113.50	113.20
Akzo Nobel	261.20	256	258.50	260.60
Baan Co.	82.80	80.30	82.60	78.70
Bols Wess cva	35	34	34.50	34.70
CSM cva	102.50	102	102.60	102.50
Dordtsche Pet	342	338.30	342	338.90
DSM	175	171.80	172.20	174.50
Elsevier	28.30	27.70	28.30	27.80
Fortis Amev	68.20	66.60	67.50	67.70
Getronics	52.70	51.30	52.60	52
G-Broc cva	58.50	57.30	57.80	58.30
Hagemeyer	146.90	144.50	146	146
Heineken	291.70	287.20	290	288.80
Hoogovens cva	73.70	72.90	73.70	72.60
Hunt Douglas	127	124	126	126.80
ING Group	69.70	68.60	69.30	69.30
KLM	55.20	54	55	55.10
KNP BT	40.90	39.70	40.50	40.70
KPN	67.20	65.90	66.80	67
Nedlloyd Gp	56	53.80	54.50	56
Nutricia	265.80	261.50	264	264.30
Oce Grinten	210.90	208	210.80	208.70
Philips Elec	74	72.60	74	73
Polygram	82.10	80.40	81	82.20
Randstad Hdg	130	127	127.80	129
Robeco	152.10	151.60	152.10	151.60
Rodamco	55	54.80	55	54.70
Rolinco	158.70	158.70	158.70	157.10
Rorento	107.80	107.40	107.60	107.80
Royal Dutch	322.50	319.20	322	319.20
Unilever cva	306.90	302.70	304.60	306
Vendex Intl	81.40	78.90	79.80	80.70
VNU	36.20	35.40	35.70	35.80
Wolters Kl cva	227.90	222.50	227	224

Bangkok
SET Index: 798.84 — Previous: 820.19

	High	Low	Close	Prev.
Adv Info Svc	254	226	226	250
Bangkok Bk F	250	224	224	256
Krung Thai Bk	50	46	46.50	49.50
PTT Explor	386	360	370	386
Siam Cement F	864	808	808	868
Siam Com Bk F	182	167	170	190
Telecomasia	51	48	49.75	50.50
Thai Airways	41.50	40.50	41.50	40.75
Thai Farm Bk F	170	148	150	178
Utd Comm	179	162	162	179

Bombay
Sensex 30 Index: 3382.47 — Previous: 3535.97

	High	Low	Close	Prev.
Bajaj Auto	906	850	890.50	877.50
Hindust Lever	892	875.50	887	883.25
Hindust Petlm	377.75	370	371.50	383.25
Ind Dev Bk	95.50	93.50	95	97.25
ITC	394.25	389.25	394.25	403
Mahanagar Tel	243	234.75	237.75	246.25
Reliance Ind	272	262	264.50	268.75
State Bk India	284	268.50	271.50	291.75
Steel Authority	22.75	20.50	21.25	28.50
Tata Eng Loco	333	315.50	319	345

Brussels
BEL-20 Index: 2051.54 — Previous: 2045.87

	High	Low	Close	Prev.
Almanij	12575	12275	12275	12500
Barco Ind.	5670	5560	5640	5540
BBL	7200	7110	7130	7140
Bekaert	19600	19400	19475	19400
CBR	3280	3200	3250	3235
CNP	2150	2150	2150	2140
Cobepa	1238	1220	1238	1236
Cockerill	117	115	115	115
Colruyt	13925	13800	13800	13800
Delhaize Lion	1945	1910	1965	1925
Electrabel	7990	7910	7950	7930
Electrafina	3270	3175	3270	3210
Fortis AG	5700	5620	5670	5630
Gevaert	2390	2315	2370	2330
GIB	1580	1565	1570	1575
GBL	4560	4530	4535	4530
Gen Banque	11925	11750	11775	11925
Kredietbank	12000	11775	11775	11875
Petrofina	11950	11875	11925	11875
Powerfin	4850	4800	4830	4800
Royale Belge	7100	7040	7080	7060
Soc Gen Belg	2585	2545	2570	2585
Solvay	22350	22000	22150	22200
Tractebel	14850	14725	14730	14800
UCB	96000	93800	94650	94000
Union Miniere	2390	2370	2380	2378

Copenhagen
Stock Index: 511.61 — Previous: 507.15

	High	Low	Close	Prev.
BG Bank	287	279	287	286
Carlsberg B	392	387	390	387
Codan Fors	875	835	875	848
Danisco	363	358	360	361
Den Danske Bk	517	503	517	504
D/S Svendborg B	258000	254000	258000	254000
D/S 1912 B	184000	174500	184000	176000
FLS Ind B	840.84	840	840.84	840
Kob Lufthavne	686.71	680	685	677
Novo Nordisk B	582	569	580	561
Sophus Ber B	853	838	840	848
Tele Danmk B	374	362	374	364
Tryg Baltica	323	318	322	320
Unidanmark A	340	329	340	332

Frankfurt
DAX: 3035.15 — Previous: 3017.32

	High	Low	Close	Prev.
AMB B	960	950	960	950
Adidas	155.50	154	154.90	153.95
Allianz Hdg	3059	3015	3045	3087
Altana	1300	1274	1279	1291
Bk Berlin	32.30	32.05	32.15	32.35
BASF	59.50	59.01	59.30	59.20
Bayer Hypo Bk	52.05	51.70	52.05	52.02
Bay.Vereinsbank	62.20	61.51	62.20	61.34
Bayer				
Beiersdorf	84	82.20	84	82.80
BMW	1059	1049	1059	1052.50
Commerzbank	41.95	41.40	41.50	41.75
Daimler Benz	115.50	114.70	115.50	114.50
Degussa	699	695	699	697.50
Deutsche Bank	81.65	81.45	81.70	82.65
Deut Telekom	30.60	30.35	30.60	30.18
Dresdner Bank	52.30	52.05	52.30	52.18
Fresenius	322	317	317	322
Fresenius Med	143	142.50	142.80	142.50
Fried. Krupp	262	261	261.50	260.50
Gehe	110	108	108.10	110.40
Heidelbg Zmt	139	133	139	132
Henkel pfd	83.80	83.20	83.20	83.10
Hochtief	66.90	66.10	66.70	66.30
Hoechst	69.35	68.40	68.80	68.81
Karstadt	501	499	500	500
Linde	1040	1024	1031	1033
Lufthansa	22.14	21.85	22.18	22.08
MAN	416.90	410	412	409
Mannesmann	639	633	634	641
Metallgesellschaft	33.05	32.68	32.80	32.86
Metro	126.90	125.40	126.70	125.20
Munch Rueck R	3835	3765	3808	3830
Preussag	393	389	392.50	391.50
RWE	69.55	68.90	69.30	67.80
SAP pfd	244.50	237	242.50	216
Schering	140.20	138.28	139.65	138.80
Siemens	80.47	79.95	80.35	78.82
Thyssen	314	310.50	311.80	310.50
Veba	90.70	90.48	90.60	90.25
VEW	497.50	496.50	496.50	497.50
Viag	675	671	673.50	668
Volkswagen	769.50	765	769	768.50

Helsinki
HEX General Index: 2777.13 — Previous: 2712.73

	High	Low	Close	Prev.
Cultor 1	252	250	250	252
Enso A	39.20	38.30	39.20	38
Huhtamaki I	219	214	219	215
Kemira	55.10	54.80	54.80	54.90
Kesko	66.50	65.50	65.50	66
Merita A	14.50	14.20	14.90	14.20
Metra B	275	271	272	273
Metso-Serla B	36	35.50	35.60	35.30
Neste	124	121	123.60	120
Nokia A	325	312.10	324	307.50
Orion-Yhtymae	181	178.60	178.60	180
Outokumpu A	79.50	78.60	78.60	79.40
Rautaruukki	44	43.80	44	43.60
Sampo Insur	444	416	440	422
UPM-Kymmene	96.80	95	95.20	96.50
Valmet	93.50	89	93	88

Hong Kong
Hang Seng: 13321.79 — Previous: 13288.40

	High	Low	Close	Prev.
Amoy Props	10.10	9.75	9.85	9.90
Bk East Asia	35.90	34.60	34.90	35.80
Cathay Pacific	12	11.75	12	11.75
Cheung Kong	73.50	71.75	72.25	72.75
CK Infrastruct	22.70	22.25	22.40	22.50
China Light	36.50	35.80	36.30	35.90
China Ovrsea Ld	4.25	4.18	4.20	4.20
China Res Ent	17	16.45	16.55	16.45
Chin Estates	8.85	8.50	8.60	8.65
Citic Pacific	38.30	37.80	38.20	37.50
Cosco Pacific	9	8.65	8.75	9
Dao Heng Bk	38.40	37.60	38.40	38
First Pacific	10.75	10.50	10.50	10.65
Great Eagle	32.40	31.30	31.30	31.40
Guangdong Inv	7	6.75	7	6.80
Guoco Group	44	43.50	43.80	43.90
Hang Lung Dev	16.05	15.90	16	15.90
Hang Seng Bk	92	91	91.25	90.50
Henderson Inv	9.10	8.90	8.90	9.05
Henderson Ld	73.25	71	71.75	72.75
HKR Intl	12.30	12	12	12.05
HK China Gas	14.80	14.50	14.65	14.75
HK Electric	27.45	26.95	27.50	26.75
HK Shang Hts	14.35	14.15	14.25	14.25
HK Telecomm	13.55	13.20	13.40	13.25
Hopewell Hdgs	4.73	4.65	4.70	4.70
HSBC Hdgs	180	178	179.50	177.50
Hutchison Wh	59.50	57.75	58.50	58.75
Hysan Dev	28.70	28.15	28.20	28
Johnson El Hdg	22.65	22.30	22.60	22.60
Kerry Props	19.80	19.70	19.75	19.80
Natl Mutual	7.60	7.30	7.45	7.60
New World Dev	48.70	47.70	47.80	47.80
N-World Infrastr	22.80	22.70	22.90	22.75
Oriental Press	2.95	2.90	2.90	2.95
Pearl Oriental	5.70	5.40	5.50	5.50
Shanghai Indus	27.75	27.60	27.45	27.85
Shangri-La Asia	11.50	11.20	11.50	11.40
SHK Props	89.75	87	87.50	88.25
Shun Tak Hdgs	5.30	5.25	5.30	5.30
Sino Land Co.	9.10	8.95	8.95	8.95
Sth China Post	6.30	6.20	6.20	6.25
Swire Pac A	72.75	71.25	72	72
Tsim Sha Tsui	20.65	20.50	20.65	20.40
TV Broadcasts	34.20	33.90	34	34
Wharf Hdgs	36.10	34.50	35	35.70
Wheelock	22.10	21.50	21.55	21.95

Jakarta
Composite Index: 691.12 — Previous: 687.39

	High	Low	Close	Prev.
Astra Intl	6350	6250	6250	6350
Bk Intl Indon	1850	1775	1825	1775
Bk Negara	1625	1600	1625	1625
Gudang Garm	11700	11450	11600	11400
Indocement	3575	3550	3550	3550
Indofood	5350	5250	5250	5350
Indosat	6800	6675	6750	6650
Sampoerna HM	15050	14900	14900	14825
Semen Gresik	7400	7150	7275	7125
Telekomunikasi	4250	4200	4250	4175

Johannesburg
All Market: 6476.86 — Previous: 6458.17

	High	Low	Close	Prev.
Amalgamated Bks	26	25.70	25.85	25.75
AngloAm Coal	312	310	310	310
AngloAm Corp	254	251	252.50	254
AngloAm Gold	328	313	319	318
AngloAm Ind	170	169.50	169.50	170
Barlow	46.75	45.85	46.50	46.50
C.G. Smith	23.50	23	23	23.10
De Beers	142.25	140.75	141.25	141.75
Driefontein	42.25	41.25	41.75	42.30
Fst Natl Bk	24.35	23.90	24.35	24.25
Gencor	17.95	17.60	17.80	17.95
GFSA	106	102.25	106	105
Iscor	3.55	3.42	3.55	3.45
Liberty Hldgs	214	210.50	214	214
Liberty Life	120	118.25	120	118.75
Minorco	104.75	103	103.25	104.50
Nampak	17.80	17.50	17.75	17.50
Nedcor	69.75	67.25	69.75	67.50
Rembrandt Gp	43.10	42.50	43.10	42.80
Richemont	63.75	62	63.25	62.50
Rust Platinum	61.25	60	61.25	60.75
SA Breweries	122.50	121	121.25	121.50
Samancor	49.75	49.75	49.75	49.75
Sasol	52.25	50	52.25	51.25
SBIC	186	183	186	183
Tiger Oats	71	68.75	71	69.25

Kuala Lumpur
Composite: 1216.72 — Previous: 1215.83

	High	Low	Close	Prev.
Genting	17.20	16.90	16.90	17.10
Mal Banking	28	27	27.50	27.25
Mal Intl Ship F	6.55	6.15	6.25	6.55
Petronas Gas	9.20	8.95	9	9.20
Renong	4.58	4.52	4.56	4.58
Resorts World	12.70	12.40	12.50	12.70
Sime Darby	9.30	9.10	9.25	9.10
Telekom Mal	19.60	19.30	19.40	19.70
Tenaga	12.20	11.90	11.90	12
Utd Engineers	22.70	21.90	22.30	21.80

London
FT-SE 100: 4275.80 — Previous: 4228.40

	High	Low	Close	Prev.
Abbey Natl	7.85	7.69	7.85	7.76
Allied Domecq	4.30	4.19	4.30	4.22
Anglian Water	6.37	6.28	6.34	6.25
Argos	6.57	6.45	6.56	6.46
Asda Group	1.24	1.20	1.22	1.19
Assoc Br Foods	4.82	4.77	4.79	4.83
BAA	5.35	5.18	5.32	5.20
Barclays	11.65	11.40	11.65	11.37
Bass	8.55	8.42	8.47	8.61
BAT Ind	4.92	4.83	4.85	4.88
Bank Scotland	3.24	3.14	3.24	3.15
Blue Circle	3.92	3.85	3.90	3.96
BOC Group	9.57	9.40	9.49	9.40
Boots	6.63	6.53	6.63	6.10
BPB Ind	3.65	3.62	3.64	3.65
Brit Aerosp	12.92	12.65	12.69	12.91
Brit Airways	5.99	5.91	5.94	5.94
Brit Gas	2.25	2.15	2.25	2.16
Brit Land	5.10	5.01	5.03	5.07
Brit Petm	7.37	7.11	7.35	7.23
BSkyB	6.05	5.88	5.99	5.80
Brit Steel	1.51	1.48	1.50	1.48
Brit Telecom	4.36	4.21	4.28	4.23
BTR	2.60	2.55	2.59	2.57
Burmah Castrol	10.38	10.28	10.29	10.35
Burton Gp	1.49	1.47	1.48	1.49
Cable Wireless	4.84	4.63	4.66	4.80
Cadbury Schw	4.75	4.63	4.70	4.72
Carlton Comm	5.62	5.19	5.59	5.22
Comml Union	6.98	6.83	6.98	6.89
Compass Gp	6.75	6.67	6.74	6.67
Courtaulds	3.88	3.84	3.86	3.85
Dixons	5.28	5.11	5.22	5.09
Electrocomponents	4.47	4.43	4.45	4.46
EMI Group	12.60	11.80	12.11	12.49
Enterprise Oil	6.97	6.83	6.91	6.78
Fam Colonial	1.54	1.50	1.53	1.49
Genl Accident	8.07	7.83	8.06	7.78
GEC	3.92	3.87	3.90	3.93
GKN	10.88	10	10.04	9.98
Glaxo Wellcome	10	9.74	9.99	9.69
Granada Gp	9	8	8.97	8.79
Grand Met	4.65	4.55	4.65	4.59
GRE	2.78	2.74	2.77	2.76
Greenalls Gp	5.67	5.64	5.65	5.65
Guinness	4.39	4.28	4.36	4.36
GUS	6.55	6.44	6.49	6
Hanson	0.94	0.92	0.92	0.92
Hays	5.66	5.61	5.63	5.65
HSBC Hldgs	14.56	14.28	14.55	14.17
ICI	7.56	7.36	7.55	7.54
Impl Tobacco	4.10	4	4.09	3.99
Kingfisher	6.79	6.67	6.77	6.72
Ladbroke	2.31	2.27	2.30	2.30
Land Sec	7.67	7.60	7.63	7.62
Lasmo	2.65	2.58	2.52	2.55
Legal Genl Grp	3.90	3.77	3.87	3.79
Lloyds TSB Gp	4.88	4.74	4.81	4.75
LucasVarity	2.09	2.06	2.08	2.05
Marks Spencer	4.96	4.89	4.96	4.90
MEPC	4.55	4.48	4.53	4.51
Mercury Asset	13.10	12.97	13.09	12.99
National Grid	2.13	2.07	2.08	2.12
Natl Power	5.06	4.97	4.99	5.03
NatWest	7.73	7.60	7.72	7.55
Next	5.74	5.67	5.72	5.65
Orange	2.01	1.98	1.99	1.99
P&O	6.54	6.42	6.52	6.49
Pearson	7.70	7.57	7.60	7.62
Pilkington	1.50	1.47	1.49	1.50
PowerGen	6.55	6.41	6.43	6.54
Premier Farnell	5.28	5.10	5.27	5.20
Prudential	5.41	5.36	5.40	5.36
Railtrack PP	3.91	3.80	3.82	3.83
Rank Group	4.42	4.33	4.37	4.37
Reckitt Colm	7.12	7.05	7.09	7.08
Redland	3.46	3.37	3.42	3.45
Reed Intl	10.87	10.48	10.87	10.46
Rentokil Initial	4.62	4.56	4.61	4.57
Reuters Hldgs	6.77	6.50	6.55	6.68
Rexam	3.33	3.25	3.28	3.25
RMC Group	9.47	9.27	9.39	9.45
Rolls Royce	2.41	2.39	2.40	2.38
Royal Bk Scot	5.74	5.67	5.74	5.71
RTZ reg	9.16	9.02	9.10	9.16
Royal & Sun All	4.79	4.73	4.78	4.73
Safeway	3.93	3.82	3.83	3.92
Sainsbury	3.30	3.22	3.25	3.29
Schroders	17.20	16.50	17.14	16.45
Scot Newcastle	6.82	6.75	6.79	6.78
Scot Power	3.77	3.72	3.75	3.73
Securicor	2.92	2.88	2.91	2.89
Severn Trent	7.07	6.94	7.05	6.93
Shell Transp R	10.81	10.53	10.75	10.55
Siebe	10.50	10.30	10.50	10.35
Smith Nephew	1.81	1.79	1.79	1.80
SmithKline	8.94	8.71	8.93	8.80
Smiths Ind	7.83	7.75	7.81	7.75
Sthern Elec	8.05	7.90	8.01	7.85
Stagecoach	7.57	7.50	7.50	7.50
Stand Charter	7.72	7.47	7.71	7.45
Tate & Lyle	4.55	4.35	4.48	4.42
Tesco	3.63	3.53	3.59	3.61
Thames Water	6.80	6.65	6.78	6.63
3i Group	5.28	5.14	5.18	5.14
TI Group	5.60	5.50	5.58	5.49
Tomkins	2.81	2.73	2.81	2.72
Unilever	14.02	13.90	13.96	13.91
Utd Assurance	5.10	5.03	5.10	5
Utd News	7.12	6.58	6.97	7.14
Utd Utilities	6.74	6.65	6.74	6.63
Vendome Lx uts	5	4.95	4.98	4.98
Vodafone	2.72	2.67	2.70	2.67
Whitbread	7.66	7.58	7.64	7.63
Williams Hdgs	3.25	3.20	3.24	3.21
Wolseley	4.70	4.65	4.67	4.68
WPP Group	2.48	2.43	2.47	2.45
Zeneca	18.07	17.50	18.05	17.54

Madrid
Bolsa Index: 465.59 — Previous: 459.49

	High	Low	Close	Prev.
Acerinox	18000	17560	17750	17960
ACESA	1770	1710	1715	1720
Aguas Barcelon	6050	5770	5850	5750
Argentaria	5900	5845	5800	5700
BBV	8540	8040	8420	8080
Banesto	1165	1125	1140	1125
Bankinter	19990	19130	19990	19670
Bco Central Hisp	3595	3445	3595	3450
Bco Exterior	2710	2710	2710	2720
Bco Popular	25750	25100	25200	25580
Bco Santander	9100	8640	9000	8700
CEPSA	4400	4250	4390	4400
Continente	2450	2385	2385	2430
Corp Mapfre	8250	8000	8120	8120
Endesa	9150	8930	9050	9120
FECSA	1350	1250	1340	1280
Gas Natural	33950	31500	32510	31400
Iberdrola	1678	1590	1655	1615
Pryca	2510	2365	2450	2420
Repsol	5550	5440	5490	5530
Sevillana Elec	1450	1320	1390	1340
Tabacalera	6380	6160	6260	6160
Telefonica	3285	3225	3250	3245
Union Fenosa	1190	1160	1190	1175
Valenc Cement	1480	1420	1480	1440

Manila
PSE Index: 3421.91 — Previous: 3392.76

	High	Low	Close	Prev.
Ayala B	30	29	30	29.50
Ayala Land	32.50	32	32	32
Bk Philip Isl	187	180	182	185
C&P Homes	14.75	14.25	14.25	14.50
Manila Elec A	128	126	127	128
Metro Bank	720	700	720	700
Petron	12	11.25	12	11.50
PCIBank	342.50	340	340	342.50
PNI Long Dist	1600	1585	1595	1595
San Miguel B	108	105	106	109
SM Prime Hdg	7.90	7.50	7.90	7.50

Mexico
Bolsa Index: 3647.17 — Previous: 3672.92

	High	Low	Close	Prev.
Alfa A	41.40	40.70	40.80	41.15
Banacci B	16.34	15.84	16.08	15.90
Cemex CPO	29.80	29.80	29.40	29.60
Cifra C	10.60	10.38	10.38	10.50
Emp Modema	45.00	43.90	44.20	44.50
Gpo Carso A1	48.60	47.35	47.45	48.30
Gpo Fin Inbursa	28.00	27.70	28.00	27.75
Kimb Clark Mex	163.10	161.20	162.00	161.50
Televisa CPO	103.00	101.00	102.80	103.00
TelMex L	15.02	14.74	14.78	14.90

Milan
MIB Telematico: 12421.00 — Previous: 12246.00

	High	Low	Close	Prev.
Alleanza Assic	12235	11960	12110	12095
Bca Comm Ital	3265	3180	3265	3225
Bca Fideuram	4575	4450	4450	4495
Bca di Roma	1330	1301	1313	1320
Benetton	21500	20600	21500	20900
Credito Italiano	2215	2175	2195	2190
Edison	10230	10000	10135	9960
ENI	8995	8750	8890	8795
Fiat	5160	4980	5160	5145
Generali Assic	33450	32400	33250	32750
IMI	15840	15530	15700	15675
INA	2230	2170	2225	2215
Italgas	6825	6670	6730	6780
Mediaset	7360	7170	7350	7195
Mediobanca	11000	10600	11080	10500
Montedison	1333	1276	1306	1299
Parmalat	2755	2655	2715	2670
Pirelli	3590	3525	3590	3545
RAS	15670	15360	15535	15675
Rolo Banca	17950	17700	17950	17820
S Paolo Torino	11240	10680	11100	10995
Stet	7970	7710	7955	7765
Telecom Italia	4660	4465	4665	4520
TIM	4795	4600	4790	4700

Montreal
Industrials Index: 2946.56 — Previous: 2928.96

	High	Low	Close	Prev.
Bce Mob Com	42.95	42½	42½	43
Cdn Tire A	21.55	21¼	21¼	21.45
Cdn Util A	32¼	32.10	32.20	32.15
CT Fincl Svc	32¼	32¼	32½	32½
Gaz Metro	16¼	16½	16.55	16.60
Gt-West Lifeco	21	20.80	21	20½
Imasco	36¼	36	36.15	36.15
Investors Grp	27.40	26¾	27.40	26½
Loblaw Cos	17.30	16.90	17.30	16.80
Natl Bk Canada	14.40	14.20	14¼	14.30
Power Corp	28½	28	28½	28.40
Power Fincl	25¼	25½	25	25.60
Quebecor B	26	25.90	25.90	25.90
Rogers Comm B	9.70	9.55	9.55	9.45
Royal Bk Cda	50.05	49¾	49.85	49.90

Oslo
OBX Index: 577.61 — Previous: 573.38

	High	Low	Close	Prev.
Aker A	167	165	166.50	167
Bergesen Dy A	146.50	146	146.50	147
Christiania Bk	22.20	21.90	22.20	21.80
Den norske Bk	26.60	25.90	26.60	25.90
Elkem	102.50	99	102	101
Hafslund A	49.60	49	49	49.50
Kvaerner Asa	389	384	384	385
Norsk Hydro	367	361.50	366	362
Norske Skog A	201	195	199	197
Nycomed A	118	115	116.50	115
Orkla Asa A	516	505	516	500
Petm Geosvc	283	280	281	280
Saga Petm A	128	124	125	124
Schibsted	144	143	144	142.50
Transocean Off	408	405	406	425
Storebrand Asa	38.90	38.60	38.90	38.80

Paris
CAC-40: 2516.56 — Previous: 2503.06

	High	Low	Close	Prev.
Accor	758	731	741	726
AGF	182.80	175.30	176.20	180.50
Air Liquide	898	883	898	891
Alcatel Alsth	565	525	548	523
Axa-UAP	367.70	360.80	365	362.70
Bancaire	677	664	666	670
BIC	890	877	882	883
BNP	224	217.60	221.50	221
Canal Plus	1193	1170	1182	1183
Carrefour	3380	3316	3320	3370
Casino	238	235	237	237
CCF	250	246.70	248.70	249.80
Cetelem	690	670	690	678
Christian Dior	868	825	856	875
CLF-Dexia Fran	496.70	482.50	495	495.90
Credit Agricole	1246	1246	1246	1250
Danone	856	841	855	844
Elf-Aquitaine	545	529	537	529
Eridania BS	850	826	848	832
Eurotunnel	7.25	6.95	6.95	7.20
Gen. Eaux	720	700	708	690
Havas	408	395	405.50	401
Imetal	852	838	851	834
Lafarge	335	331.20	333.70	332.20
Legrand	944	915	930	934
L'Oreal	1978	1928	1959	1947
LVMH	1428	1375	1400	1458
Lyon. Eaux	563	553	562	558
Michelin B	321.90	315.90	317.10	320.50
Paribas A	379.70	374.60	378.30	377
Pernod Ricard	309	302	308.90	302.90
Peugeot Cit	598	577	593	598
Pinault-Print	2362	2331	2359	2354
Promodes	1540	1487	1525	1480
Renault	127	118.80	119.10	121.70
Rexel	1770	1718	1770	1710
Rh-Poulenc A	187.50	181	184.20	179.80
Roussel-Uclaf	1525	1511	1525	1510
Sanofi	562	550	555	553
Schneider	279	275	278.90	276.70
SEB	1130	1093	1108	1136
SGS Thomson	397	392.70	396	392.80
Ste Generale	638	622	636	621
Sodexho	2740	2640	2695	2739
St Gobain	864	837	851	850
Suez	264.40	252	262.50	252.20
Synthelabo	590	572	572	585
Thomson CSF	165.90	162.40	164.40	163.70
Total B	479.80	469.60	476	479.40
Usinor	78.60	77.10	78.60	76.90
Valeo	368	357.10	364	356.80

São Paulo
Bovespa Index: 79646.90 — Previous: 77888.10

	High	Low	Close	Prev.
Bradesco Pfd	8.45	8.25	8.40	8.40
Brahma Pfd	648.00	630.00	636.00	632.00
Cemig Pfd	44.00	43.50	43.90	43.18
CESP Pfd	51.80	50.70	50.81	50.50
Copel	14.10	13.95	14.10	13.95
Eletrobras	429.00	417.00	427.00	417.00
Itaubanco Pfd	485.00	475.00	485.00	475.00
Light Servicos	368.00	354.00	354.00	360.00
Lightpar	298.90	280.00	295.00	280.00
Petrobras Pfd	202.00	191.00	199.50	192.00
Telebras Pfd	91.80	89.80	91.10	89.15
Telemig	145.00	140.50	144.50	140.00
Telerj	148.50	143.80	145.00	143.50
Telesp Pfd	247.00	240.00	245.00	240.00
Unibanco	36.50	34.60	36.50	34.60
CVRD Pfd	23.60	23.15	23.60	23.00

Seoul
Composite Index: 685.84 — Previous: 676.52

	High	Low	Close	Prev.
Dacom	102000	98000	101000	100000
Daewoo Heavy	5100	5050	5080	5090
Kia Motors	16200	15900	15900	16300
Korea El Pwr	28700	28300	28500	28400
Korea Exch Bk	7120	6910	7000	6880
Korea Mob Tel	537000	528000	537000	526000
LG Semicon	20600	20000	20600	20100
Pohang Iron St	43400	42300	42700	42300
Samsung Elec	47900	47100	47100	47100
Shinhan Bank	10900	10500	10600	10880

Singapore
Straits Times: 2216.47 — Previous: 2216.71

	High	Low	Close	Prev.
Asia Pac Brew	N.T.	N.T.	N.T.	7.90
Cerebos Pac	10.50	10.40	10.40	10.40
City Devlts	14.10	13.90	14.10	14.10
Cycle Carriage	15.90	15.50	15.50	15.80
Dairy Farm Int*	0.79	0.76	0.76	0.78
DBS foreign	19.50	19.10	19.50	19.10
DBS Land	5.80	5.70	5.80	5.75
Far East Levingt	6.95	6.90	6.90	7
Fraser & Neave	13.70	13.50	13.70	13.50
HK Land*	2.80	2.76	2.77	2.80
Jard Matheson*	6.10	5.85	5.85	6.05
Jard Strategic*	3.30	3.30	3.30	3.28
Keppel	11.60	11.40	11.40	11.60
Keppel Bank	4.16	4.14	4.16	4.14
OCBC foreign	19.50	19.20	19.20	19.20
OS Union Bk F	11.60	11.40	11.40	11.50
Parkway Hdgs	5.60	5.50	5.55	5.55
Sembawang	8	7.90	8	7.85
Sing Air foreign	13.40	13.20	13.20	13.40
Sing Land	8.55	8.40	8.50	8.40
Sing Press F	28.20	27.10	28.20	27.10
Sing Tech Ind	3.70	3.44	3.64	3.66
Sing Telecomm	3.32	3.26	3.32	3.30
Straits Steam	5	4.94	5	4.92
Tat Lee Bank	3.42	3.40	3.42	3.42
Utd Industrial	1.21	1.19	1.20	1.21
Utd O'Sea Bk F	16.40	16.30	16.40	16.30
Wing Tai Hdgs	4.52	4.42	4.46	4.38

*: in U.S. dollars.

Stockholm
SX 16 Index: 2717.28 — Previous: 2675.33

	High	Low	Close	Prev.
AGA B	108	107	108	106.50
ABB A	920	880	920	880
AssiDoman	179	177.50	179	178.50
Astra A	346.50	345.80	345.50	342.50
Atlas Copco A	168	167	167	167
Autoliv	320	312	313.50	315
Electrolux B	439.50	431	436	436.50
Ericsson B	242	236	243	235
Hennes B	1160	1120	1140	1109
Incentive A	508	508	506	503
Investor B	329	325.50	329	325
MoDo B	202	198.50	198.50	199.50
Nordbanken	236	236	235	233.50
Pharm/Upjohn	269	266	268.50	263.50
Sandvik B	186.50	184.50	185	186
Scania B	185	183	183	184
SCA B	146	145	145.50	143
S-E Banken A	73	71.50	72.50	72
Skandia Fors	196	192	195	194.50
Skanska B	306.50	302	306.50	307
SKF B	169	167	167	167
Sparbanken A	116	114	115	114
Stadshypotek A	189	188.50	189	189
Stora A	93	90.50	92	92.50
Sv Handles A	189.50	186.50	188.50	185.50
Volvo B	175	172	173	174

Sydney
All Ordinaries: 2423.70 — Previous: 2417.70

	High	Low	Close	Prev.
Amcor	8.15	8.04	8.10	8.11
ANZ Bkng	8.11	7.97	8.84	8.07
BHP	18.03	17.90	17.91	17.99
Boral	3.42	3.39	3.40	3.40
Brambles Ind.	22.31	22.10	22.30	22.18
CBA	12.85	12.74	12.75	12.74
CC Amatil	12.95	12.75	12.95	12.86
Coles Myer	5.04	4.93	4.96	5.02
Comalco	6.48	6.40	6.44	6.41
CRA	18.87	18.56	18.57	18.84
CSR	4.43	4.38	4.38	4.42
Fosters Brew	2.67	2.63	2.65	2.63
Gen Prop Trust	2.42	2.41	2.41	2.42
GIO Australia	3.32	3.31	3.34	3.30
Goodman Fld	1.61	1.60	1.60	1.60
ICI Australia	12.50	12.39	12.45	12.45
John Fairfax	2.90	2.84	2.90	2.84
Lend Lease	22.90	22.59	22.65	22.65
Mayne Nickless	7.82	7.78	7.79	7.81
MIM Hdgs	1.75	1.70	1.75	1.74
Nat Aust Bank	15.91	15.75	15.85	15.78
Nat Mutual Hdg	1.76	1.72	1.72	1.75
News Corp	6.66	6.54	6.64	6.48
Normandy Min	1.59	1.58	1.59	1.60
North Ltd	3.95	3.91	3.94	3.92
Pacific Dunlop	3.16	3.12	3.16	3.12
Pioneer Intl	3.78	3.69	3.75	3.78
Pub Broadcast	6.85	6.70	6.84	6.68
Qantas Airways	2.28	2.25	2.27	2.25
Santos	4.81	4.75	4.77	4.77
Southcorp	4.36	4.27	4.32	4.34
Wesfarmers	9.06	8.91	9	8.91
WMC	8.16	8.03	8.04	8.16
Westfield Trust	2.43	2.41	2.41	2.42
Westpac Bkng	7.53	7.46	7.50	7.45
Woodside Pet	9.40	9.25	9.26	9.37
Woolworths	3.30	3.25	3.29	3.29

Taipei
Stock Market Index: 7282.40 — Previous: 7221.98

	High	Low	Close	Prev.
Cathay Life Ins	176	175	175	175
Chang Hwa Bk	169	167	168	167
Chiao Tung Bk	82	80.50	81.50	80.50
China Developmt	90	89	89	89
China Steel	25.50	25.30	25.40	25.20
First Bank	177	175	175	175
Formosa Plastic	71.50	68.50	71	68
Hua Nan Bk	144.50	143	143	143
Intl Comm Bk	83	82	82.50	82.50
Nan Ya Plastics	66.50	64.50	65.50	64
Shin Kong Life	109.50	107.50	108	107
Taiwan Semi	57.50	56.50	56.50	56.50
Tatung	54.50	53	53	53.50
Utd Micro Elec	39.80	38.90	39.40	38.30
Utd World Chin	71	69.50	70.50	70

Tokyo
Nikkei 225: 18330.81 — Previous: 17844.84

	High	Low	Close	Prev.
Ajinomoto	1100	1040	1090	1030
All Nippon Air	780	757	757	763
Asahi Bank	830	800	830	800
Asahi Chem	635	625	628	625
Asahi Glass	1090	1050	1080	1050
Bk Tokyo Mitsu	1800	1740	1780	1720
Bk Yokohama	635	622	635	622
Bridgestone	2110	2070	2080	2060
Canon	2600	2560	2570	2540
Chiba Bank	722	668	721	670
Chubu Elec	2260	2210	2230	2200
Chugoku Elec	2150	2120	2140	2110
Daiei	829	816	828	816
Dai-Ichi Kang	1310	1270	1290	1260
Daiwa Bank	512	494	509	495
Daiwa House	1420	1380	1420	1360
Daiwa Sec	944	938	941	940
Denso	2510	2470	2480	2480
Fanuc	3430	3380	3390	3380
Fuji Bank	1280	1220	1270	1220
Fuji Photo	3740	3640	3690	3610
Fujitsu	1240	1210	1220	1220
Hitachi	1090	1060	1090	1050
Honda Motor	3310	3250	3250	3280
IBJ	1590	1490	1530	1470
IHI	485	469	477	466
Itochu	585	546	585	545
Ito-Yokado	5640	5400	5620	5400
JAL	506	496	506	498
Jusco	3400	3320	3390	3320
Kajima	759	730	750	726
Kansai Elec	2260	2200	2250	2210
Kao	1280	1250	1280	1240
Kawa Steel	303	294	296	297
KDD	7400	7160	7370	7070
Kinki Nipp Ry	735	717	735	711
Kirin Brewery	1080	1040	1060	1040
Kobe Steel	213	209	210	209
Komatsu	855	832	855	802
Kubota	573	535	565	515
Kyocera	7130	6930	7120	6900
Kyushu Elec	2190	2140	2180	2130
LTCB	450	440	449	440
Marubeni	498	473	480	473
Marui	1720	1690	1720	1720
Matsu Elec Ind	1850	1810	1830	1800
Matsu Elec Wk	1040	1020	1020	1040
Mitsubishi	1120	1090	1120	1090
Mitsubishi Ch	337	325	337	315
Mitsubishi El	696	680	691	675
Mitsubishi Est	1380	1340	1350	1330
Mitsubishi Hvy	882	871	873	876
Mitsubishi Mat	909	896	898	897
Mitsubishi Tr	1260	1180	1250	1130
Mitsui	898	886	892	885
Mitsui Fudosn	1280	1240	1250	1240
Mitsui Trust	777	751	775	743
Murata Mfg	3780	3780	3780	3660
NEC	1430	1410	1420	1400
Nikko Sec	768	756	756	756
Nintendo	7970	7760	7940	7660
Nipp Credit Bk	225	217	225	221
Nipp Express	749	710	722	703
Nippon Oil	543	535	540	532
Nippon Paper	567	540	543	522
Nippon Steel	307	296	300	296
Nippon Yusen	480	464	475	463
Nissan Motor	756	718	750	712
NKK	252	246	246	245
Nomura Sec	1550	1530	1550	1520
NTT	8880a	8720a	8750a	8690a
Obayashi	693	668	685	662
Odakyu El Ry	660	630	639	634
Ono Pharm	3540	3500	3520	3530
Osaka Gas	318	305	305	316
Ricoh	1370	1340	1340	1340
Sakura Bk	705	670	690	665
Sankyo	3210	3150	3160	3150
Sanwa Bank	1370	1310	1330	1320
Sanyo Elec	514	506	510	505
Secom	6550	6400	6550	6410
Seibu Rwy	4400	4120	4330	4120
Sekisui House	1080	1050	1080	1050
Seven-Eleven	6940	6850	6880	6870
Sharp	1680	1610	1660	1570
Shimizu	779	740	771	737
Shin-etsu Ch	2250	2210	2220	2200
Shizuoka Bk	1120	1020	1120	1030
Sony	8240	8150	8180	8150
Sumitomo	920	890	895	886
Sumitomo Bk	1330	1280	1310	1290
Sumit Chem	433	420	430	422
Sumitomo Elec	1640	1620	1630	1620
Sumit Metal	264	256	264	253
Sumit Trust	960	928	950	920
Taisei	548	527	548	522
Taisho Pharm	2760	2710	2760	2710
Takeda Chem	2460	2370	2390	2370
TDK	7860	7750	7760	7680
Tohoku El Pwr	2100	2020	2090	2020
Tokai Bank	942	920	940	923
Tokio Marine	1110	1090	1100	1070
Tokyo El Pwr	2340	2300	2340	2300
Tokyo Gas	309	303	306	304
Tokyu	567	540	557	530
Tonen	1260	1200	1220	1200
Toppan Print	1470	1400	1440	1380
Toray Ind	695	680	690	678
Toshiba	720	697	705	692
Toyo Seikan	3200	2920	3140	3060
Toyo Trust	816	790	816	780
Toyota Motor	3180	3130	3130	3150
Yamaichi Sec	444	434	441	440
Yamanouchi	2300	2240	2270	2210
Yasuda Fire	553	530	535	532
Yasuda Trust	372	345	372	345

a: x 100

Toronto
TSE Industrials: 6180.58 — Previous: 6085.10

	High	Low	Close	Prev.
Abitibi Price	21.80	21.60	21.70	21¾
Alberta Energy	33.65	33.40	33.60	33.60
Alcan Alum	48.40	47½	47.60	47.80
Anderson Expl	19.20	19	19.10	19.10
Bk Montreal	46¾	46.30	46.40	46¼
Bk Nova Scotia	47.90	47.40	47.60	47.30
Barrick Gold	36.45	35.90	36.40	36.35
BCE	68.20	67.20	67.85	66.50
BC Telecomm	29½	29	29.30	29.40
Biochem Pharm	75¼	75¼	75¼	74.65
Bombardier B	26	25.85	26	25.80
Brascan A	30.80	30.40	30.80	30.80
Bre-X Minerals	22.10	21.70	21.90	22
Cameco	55.65	54¾	55.05	55.70
CIBC	60.60	60.20	60.40	60.40
Cdn Natl Rail	54.20	53	53.55	54¼
Cdn Nat Res	38¼	38.30	38.40	38.20
Cdn Occid Pet	25.10	24.85	25.10	24.90
Cdn Pacific	36.60	36.30	36.45	36.60
Cominco	37½	36.80	37	37½
Dofasco	25.85	25.30	25.70	25.30
Domtar	12	11.85	12	11.90
Donohue A	25½	24¾	25½	24.85
Du Pont Cda A	32¾	32¼	32¾	32½
Edper Group	21.45	21.15	21¼	21.35
Euro-Nev Mng	37½	35.45	35¾	36
Fairfax Finl	296	295	296	295
Falconbridge	31.35	30.90	30.90	31.10
Fletcher Chall A	21.80	21.70	21.80	21½
Franco Nevada	58¼	57¼	58	58¼
Gulf Cda Res	11½	11	11.10	11.40
Imperial Oil	65	63.20	64.90	64.55
Inco	47¼	45.40	45.80	45.40
IPL Energy	39.95	39.70	39.95	39¾
Laidlaw B	17.85	17½	17.70	17¼
Loewen Group	48¼	47.35	48¼	47.90
Macmill Bloe	18.20	17.95	17.95	18.05
Magna Intl A	75¾	75	75.15	75.60
Methanex	12.90	12.80	12.85	12.80
Moore	28.30	27.95	28.30	28.10
Newbridge Net	46.85	46¼	46¾	45.45
Noranda Inc	32½	31.90	32.15	32.05
Norcen Energy	33.05	32.70	33.85	32¾
Nthern Telecom	100¾	97	99½	97¼
Nova	12.85	12.65	12.80	12.60
Onex	23	22.85	22.95	23.05
PanCdn Petlm	60¼	59¼	60	59¼
Petro Cda	21½	21.30	21.45	21.35
Placer Dome	27.95	27.30	27.55	27.90
Poco Petlm	15.15	14.60	14.90	15.15
Potash Sask	113½	112½	113.35	113.05
Renaissance	46.95	46¼	46.90	46
Rio Algom	32.20	31.90	32.28	32
Rogers Cantel B	27¼	27.40	27.40	27½
Seagram Co	54	53.10	53.40	53½
Shell Cda A	55.30	54.60	55.30	55
Stone Consold	20.90	20.10	20.70	20.30
Suncor	62¼	61¼	62.10	62.10
Talisman Eny	48	46½	47.35	46.60
Teck B	31.40	29.90	30.30	31½
Teleglobe	38.80	38.65	38.80	38.65
Telus	19.45	19¼	19.35	19.40
Thomson	28.80	28.65	28¾	28.70
TorDom Bank	37.35	37.10	37¼	37.15
Transalta	16¼	16.15	16.35	16.45
TransCda Pipe	24.60	24.20	24.55	24.10
Trimark Finl	45¼	44	44½	44
Trizec Hahn	31.85	31½	31.85	31.60
TVX Gold	10¾	10.30	10.45	10¾
Westcoast Eny	23.70	23.45	23.60	23.55
Weston	76	73¼	76	73¼

Vienna
ATX Index: 1174.62 — Previous: 1170.16

	High	Low	Close	Prev.
Aust Airlines	1750	1750	1750	1640
Brau-Un Goess	668	653	668	667
Bund Vers Pfd	391	391	391	490
Creditanst Pfd	430	421	427.85	426
EA-Generali	3300	3280	3280	3290
EVN	1737	1721	1734	1735
Interunfall	1495	1495	1495	1475
Lenzing	600	581	593.95	597
Leykam	307	300.30	300.30	301.80
Mayr-Melnhof	572	570	571	571
OMV	1311	1288	1311	1294
Oest Brau	799.90	785	799.90	790
Oest Elektriz	844.75	831.10	841	835.10
VA Tech	1730	1718	1729	1726.10
Wienerberger	2153	2135	2143.50	2152

Wellington
NZSE-40 Index: 2386.74 — Previous: 2400.50

	High	Low	Close	Prev.
Air NZ Zeald B	2.70	2.67	2.68	2.70
Brierley Invt	1.35	1.33	1.34	1.35
Carter Holt ord	3.39	3.36	3.37	3.40
Fernz	4.95	4.95	4.95	4.95
Fisher Paykel	5.26	5.24	5.25	5.28
FC Forest	2.23	2.20	2.21	2.23
Goodman Fder	1.77	1.77	1.77	1.81
Indep News	6.90	6.87	6.88	6.88
Lion Nathan	3.75	3.73	3.75	3.74
Nat Gas ntl	2.25	2.28	2.28	2.36
NZ Refining	29.60	29.50	29.50	29.60
Telecom NZ	7.45	7.34	7.37	7.44
Wilson Horton	11.35	11.35	11.35	11.40

Zurich
SPI Index: 2728.33 — Previous: 2689.38

	High	Low	Close	Prev.
Adecco B	404	396	399.50	397
Alusuisse R	1181	1165	1169	1165
Ares-Serono B	1480	1450	1450	1460
Baloise Hdg R	2845	2770	2800	2835
ABB B	1829	1782	1820	1785
BK Vision	766	757	766	759
Bobst B	1915	1860	1915	1895
CS Holdings R	146.50	144	146.25	144.25
Elektrowatt B	541	539	541	541
Fischer B	1530	1500	1520	1504
Hilti PC	929	921	924	926
Holderbank B	1034	1021	1034	1029
Jul. Baer Hdg B	1500	1480	1482	1470
Nestle R	1544	1531	1544	1538
Novartis R	1638	1607	1629	1613
Oerlikon R	144	141.75	143.50	143
Pargesa Hld B	1490	1482	1482	1475
PharmVisn B	722	692	722	694
Pirelli B	215.75	215	215.75	215.75
Roche Hdg PC	12600	12000	12495	12000
SBC R	264	259.50	263	257.50
Schindler B	1510	1486	1495	1495
SGS B	3180	3120	3125	3125
SMH B	973	952	965	972
Sulzer R	958	948	958	953
Swiss Reins R	1405	1388	1402	1370
Swissair R	1208	1190	1203	1193
UBS B	1187	1176	1181	1175
Valora Hdg R	283	278	282.50	280.50
Winterthur R	853	848	850	850
Zurich Assur R	402	397.50	401	398.50

NYSE

Friday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.

The Associated Press.

Continued on Page 14

Report on Jobs Fails To Lift Tokyo Gloom

Government Sees No Early Upturn

Compiled by Our Staff From Dispatches

TOKYO — Japan's unemployment rate hit a record high last year amid a slow recovery in the economy, and no significant improvement is likely in the near term, the government said Friday.

The unemployment rate rose to 3.4 percent in 1996 from 3.2 percent in 1995, government data showed.

The numbers were consistent with the government's projection of a 3.4 percent jobless rate for the fiscal year ending in March.

Although still far below the double-digit rates of many other countries, it was the highest unemployment figure for Japan since 1953, the earliest year for which comparative figures are available.

"It is difficult to expect a sharp fall in the unemployment rate," a government official said.

He said the rate was falling on a month-on-month basis, but only at a snail's pace.

But Shinpei Nukaya, the Economic Planning Agency's deputy minister, said the job market was showing signs of improving and cited a rise in the ratio of job offers to applicants in December.

The Labor Ministry said in a separate report that the ratio was 0.76, or 76 offers for every 100 jobseekers, up from 0.74 in November and the third consecutive monthly improvement in the figure.

For 1996, the jobs-to-applicants ratio improved to 0.70 from 0.63 in the previous year.

Mr. Nukaya said the higher proportion of job offers confirmed that the economy remained in a modest recovery.

But agency officials said they still expected an unemployment rate of 3.3 percent for the year ending in March 1998.

Mr. Nukaya said the rate was gradually falling on a month-on-month basis, but at a slow pace.

Monthly data for December, also released Friday, showed the jobless rate unchanged from November at 3.3 percent. It has stayed at 3.3 percent or 3.4 percent since hitting a peak of 3.5 percent in May and June.

Economists said a drastic improvement was unlikely, given the slow recovery of the economy and a planned increase in the consumption tax to 5 percent from 3 percent beginning in April.

The economy has been struggling to recover from the long slump that followed the bursting of the country's 1980s "bubble," and the number of bankruptcies remains high.

An official said there was a strong rise in the number of people employed in the construction industry in December, but he said this was due to a sharp increase in construction projects ahead of the tax increase.

The 1996 data showed that the 15-to-24 age bracket had the highest jobless rates, at 6.8 percent for men and 6.7 percent for women.

Another factor likely to inhibit any drastic improvement in the employment figures is the relatively large number of people classified as having voluntarily left their jobs.

A record 870,000 people were listed as having left jobs voluntarily in 1996. These accounted for 38.7 percent of the total number of unemployed, according to the government's data.

An official said a high number of workers seeking to change jobs to help their careers may be the cause of the increase.

The 1996 data also showed that a record 8.4 percent of those employed wanted to switch jobs.

(AFP, Reuters)

■ Greenspan Helps Lift Stocks

Tokyo stock prices rose, energized by a blue-chip buying spree and comments made Thursday in Washington by the Federal Reserve Board chairman, Alan Greenspan, that Japan was unduly pessimistic about its economy, Reuters reported.

The benchmark Nikkei average quickly turned around Thursday's 2.5 percent decline as Mr. Greenspan's remarks set off a wave of buying by dealers who had purchase orders to fill after Thursday's sell-off.

"Bargain-hunting for blue-chips set in after the benchmark tumbled over 2 percent on Thursday," said Keiji Arai, a strategist at Sanyo Securities.

But brokers said the rally was likely to be temporary and did not mean that the market had started a long-term rising trend.

The Nikkei average of 225 shares rose 465.97 points, or 2.61 percent, to close at 18,330.01.

Mr. Greenspan, referring to the Japanese economy during his testimony before the Senate Finance Committee, said that Japan's "history suggests that their pessimism at this stage is probably being grossly overdone."

Traders said Mr. Greenspan's comments had provided the market with a psychological boost.

But Kazuo Shiogai, deputy branch manager at ING Baring Securities Ltd., said the upswing might be only temporary. "I don't think the trend has turned upward, as nothing has changed fundamentally," he said.

Hanbo's Fall Roils Seoul

By Andrew Pollack
New York Times Service

TOKYO — Even as it starts to recover from a month of debilitating strikes, the South Korean economy is being dealt a new blow by the bankruptcy of the nation's second-largest steel company.

The collapse of the company, Hanbo Steel & General Construction Co., under nearly $6 billion in debt, is threatening the health of an already fragile banking system and the political future of President Kim Young Sam.

More important, the bankruptcy is expected to lay bare the collusive relationships among the government, the nation's banks and the family-controlled conglomerates, called *chaebol*, that dominate business in South Korea.

In an effort to spur rapid industrialization, banks have been essentially controlled by the government, lending money to officially favored heavy industries.

While the government's influence over the banks is now ebbing, the system has resulted in weak banks with huge amounts of bad debt and industries with excess capacity as the conglomerates race to outdo one another in size and market share.

The bankruptcy, which was declared late last week, represents another crisis for Mr. Kim, who is already reeling from public disapproval after the passage of a labor law that provoked hundreds of thousands of workers to walk off their jobs for much of the past month.

Opposition parties say it is inconceivable that banks would have made such huge and risky loans unless ordered to by the government.

The press has reported suspicions that the president's second son, Kim Hyon Chul, might have pushed the banks to support Hanbo.

Still, even a close aide to Kim Dae Jung, the leader of the largest opposition party, conceded that the party has "not shown any evidence at all" to back up such allegations. "I think it's too early to talk about President Kim and his son's involvement in the Hanbo scandal," the aide said. A special session of Parliament is expected to begin investigating the affair Monday.

On Friday, Chung Tae Soo, chairman of the Hanbo Group, was arrested by prosecutors in Seoul. He was charged with writing $55 million worth of bad checks. He could also face charges that he used bribes or political influence to obtain the enormous bank loans for Hanbo Steel, the prosecutors said.

Mr. Chung, 73, has already been convicted twice of bribery.

Mr. Kim, who was elected late in 1992 on an anti-corruption platform, has denied any involvement in the Hanbo affair. He has called for a thorough investigation, canceled a state visit to Europe and barred executives of Hanbo and its banks from leaving the country.

Still, news reports said Thursday that three Hanbo executives might already have fled and that documents relating to the case might have been shredded. Investigators are said to be looking at whether some of the loans to the steel company were siphoned off to other Hanbo subsidiaries or for Mr. Chung's personal use.

Mr. Chung, a former tax official, started Hanbo as a construction company in 1974. Like other chaebol, it has expanded into a group of unrelated businesses — steel, pharmaceuticals, finance and energy — becoming the nation's 14th-largest conglomerate. The Hanbo group is expected to collapse because of the problems of Hanbo Steel, since many of the other subsidiaries are financially linked.

The current problems began in the late 1980s, when Hanbo embarked on an effort to build a new steel mill. The cost of the mill, which has yet to be completed, jumped to $6.7 billion from an initial estimate of $3 billion.

Hanbo was able to keep borrowing money well beyond what would have seemed prudent for the banks. "It's like pouring money into an empty barrel," said Anthony Moon, a steel analyst at HG Asia Ltd. He said Hanbo Steel's debt of $5.8 billion was 22 times its equity, while a typical highly leveraged South Korean company had debt of 3.5 times equity.

Mr. Moon said Hanbo Steel could probably not have turned a profit because it faced interest payments of $580 million a year — almost as much as the net profit of the far-bigger Pohang Iron & Steel Co., the nation's largest steel company.

The five banks that did most of the lending seemed to give too much to one client, and without sufficient collateral. The roughly $1.3 billion in loans extended to Hanbo by the lead lender, Korea First Bank, is almost equal to the bank's book value, said Kim Chul Jung, banking analyst at Ssangyong Investment & Securities Co.

Other big lenders to Hanbo were Cho Hung Bank, the Korea Exchange Bank, the Seoul Bank and the state-run Korea Development Bank. The government has said it will inject $7 billion into the banking system to prevent a cascade of bankruptcies, particularly among Hanbo subcontractors.

Prosecutors Hold Chung

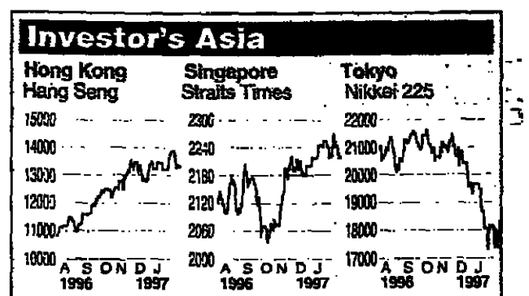
Bloomberg News

SEOUL — Prosecutors on Friday arrested Chung Tae Soo, chairman of the Hanbo Group, as the government released emergency funds to contain South Korea's biggest bankruptcy scandal.

A senior prosecutor said Mr. Chung was "accused of writing $55 million of bad checks" to keep afloat Hanbo Steel & General Construction Co., which declared bankruptcy last week.

The government also said it would pump $1.2 billion into Hanbo to help prevent bankruptcies among the company's subcontractors.

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,321.79	13,288.40	+0.25
Singapore	Straits Times	2,216.47	2,216.71	-0.01
Sydney	All Ordinaries	2,423.70	2,417.40	+0.26
Tokyo	Nikkei 225	18,330.01	17,864.04	+2.61
Kuala Lumpur	Composite	1,216.72	1,215.03	+0.14
Bangkok	SET	788.04	820.18	-3.92
Seoul	Composite Index	685.84	676.52	+1.38
Taipei	Stock Market Index	7,283.40	7,221.98	+0.85
Manila	PSE	3,421.91	3,392.76	+0.86
Jakarta	Composite Index	691.12	687.29	+0.56
Wellington	NZSE-40	2,386.74	2,400.50	-0.57
Bombay	Sensitive Index	3,382.47	3,510.05	-3.63

Source: Telekurs International Herald Tribune

Very briefly:

• **Daewoo Motor Co.**, the third-largest South Korean carmaker, will bolster worldwide auto production by 2000 to 2.5 million units, from 1.58 million, in a bid to strengthen its presence in the global market.

• **Thailand's** prime minister, Chaovalit Yongchaiyut, pledged to cut spending this year by 10 percent — or about $4 billion — to make up for lower-than-expected revenue. The government reported a deficit of 53.7 billion baht ($2.1 billion) for its first quarter.

• **Matsushita Battery Industrial Co.**, the battery unit of **Matsushita Electric Industrial Co.** of Japan, will invest 130 billion yen ($1.1 billion) to increase output of lithium and other batteries.

• **San Miguel Corp.**, the Philippine beer and food group, said its brewing capacity in China has hit 500 million liters (130 million gallons) a year, making it the biggest foreign brewer in the country.

• **IPC Corp.**, a Singapore-based computer maker, said its Korean unit, IPC Corp. (Korea), had failed to repay bank loans that could cost it 45.5 million Singapore dollars ($32.5 million), which represents the unit's assets.

• **General Motors Asian & Pacific Operations (Pte.)**, based in Singapore, said its vehicle sales in the region grew to 624,300 units in 1996 from 619,100 a year earlier.

AFP, Bloomberg, AP, Reuters

Samsung's Modest Bid Is Expected to Win Rest of AST

Compiled by Our Staff From Dispatches

The small premium that Samsung Electronics Co. has offered for the 51 percent of AST Research Inc. it does not already own will probably be enough for the offer to succeed, analysts say, given the personal-computer maker's history of problems.

The South Korean giant offered $5.10 a share, or $162 million, just 35 cents above AST's closing share price Thursday. The offer came after the stock market closed.

In afternoon trading Friday, AST shares were up 31.25 cents at $5.0625.

AST late Thursday posted a net loss for 1996 of $417.7 million, including a $68 million loss for the fourth quarter. In the fourth quarter of 1995, it had a loss of $128.6 million.

Samsung's offer includes assuming $307 million of AST's debt. Samsung bought a 40.25 percent stake in AST for $378 million in March 1995 and has since gradually increased its holdings. AST has survived on cash infusions from Samsung and bank debt.

AST's troubles have reflected both the increasing competitiveness of the personal-computer market and the company's own mistakes, analysts said. As most manufacturers slashed prices and opted for the cheapest PCs, AST clung to a premium-based business model. Its machines were known for high quality, but customers balked at the price difference.

"AST never made it into the '90s," said Seymour Merrin, president of Merrin Information Services, adding, "They make a great machine; so what?

"Toshiba came in and got a beachhead because they had an innovative product at a great price; so there is room for Samsung, but they will have to do something really amazing." *(NYT, Bloomberg)*

LEGAL NOTICE

IN THE MATTER OF BARRIE MEERKIN, Solicitor, Hong Kong and IN THE MATTER OF the Legal Practitioners Ordinance

To: Mr. Barrie Meerkin whose last known addresses are 2 Mathoura Road, Toorak, Victoria 3142, Australia, and at 3 Dov Hoz Street, Herzliya, Israel.

TAKE NOTICE THAT in the matter of the complaints made against you by the Law Society of Hong Kong the Solicitors Disciplinary Tribunal will pronounce its decision at 6.30 p.m. on 21st February 1997 at Rooms 1403-1413 Swire House, Central, Hong Kong.

Your attendance will be required at the date, time and place aforesaid.

Dated the 27th January 1997.

John Richard Edwards
Clerk to the Solicitors Disciplinary Tribunal
c/o 22nd Floor
Bank of China Tower
1 Garden Road, Central, Hong Kong

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THE WORLD'S DAILY NEWSPAPER

Court Blocks Sale Of Manila Utility

Compiled by Our Staff From Dispatches

MANILA — The Court of Appeals said Friday it had issued orders temporarily halting the privatization of the Manila water system.

The Metropolitan Water and Sewerage System awarded two 25-year contracts to operate the Manila utility to two large consortiums last week. The city's crumbling water system is estimated to need $7 billion of investment over 25 years for infrastructure improvement and construction alone.

But a three-judge appeals panel, responding to a petition from a group arguing that President Fidel Ramos's authority to privatize the utility had expired, ordered the sale halted until another ruling could be made. It instructed the utility to respond to the petition within 10 days.

The group, which includes the governor of Rizal Province near Manila, as well as a retired politician and several business executives, said Mr. Ramos's authority to privatize the utility under the Water Crisis Act lapsed in December 1995.

One of the two contracts was won by a consortium that included the Philippine conglomerate Ayala Corp., Bechtel Corp. of the United States and United Utilities of Britain. The other winning bid was posted by a local company, Benpres Holdings Corp., and its French partner, Lyonnaise des Eaux SA.

Earlier on Friday, the commission said it had endorsed the winning bids.

Politicians have criticized the awarding of the contracts, which divides Manila into two parts, saying the area to be served by the Benpres-Lyonnaise consortium will have to pay twice as much for its tap water as the rest of Manila, although rates quoted by both consortiums are lower than the current average charge. *(Reuters, AFP)*

On March 18, the International Herald Tribune will publish a Sponsored Section on:

Office Equipment

Among the topics to be covered are:
- Intranets – advantages and drawbacks.
- Multi-function machines.
- Portable computers – advances in screen design and battery technology.
- Essential equipment for the mobile executive.
- A rundown on the features and advantages of Sun Microsystem's Java.

Herald Tribune

This section coincides with the CeBIT fair in Hannover. For a full synopsis and advertising rates, please contact the Supplements department in Paris.
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THE WORLD'S DAILY NEWSPAPER

Australian Miner Expands

Reuters

MELBOURNE — North Ltd., the Australian mining company, said Friday that it had bought a majority stake in Canada's biggest producer of iron ore and boasted that it was now a main supplier of the world's major steel-making commodity.

North said it paid $230 million for a 59.3 percent stake in the Iron Ore Co. of Canada.

"This purchase positions North as a major player in the world's iron ore industry," said North's managing director, Campbell Anderson.

North already reaps 14.7 million tons of iron ore each year from its majority-owned Robe River mine in northwest Australia. Its Canadian stake adds about 9 million tons a year.

Iron Ore Co. of Canada, with its higher quality iron ore and presence in U.S. and European markets, will expand North's global reach, which has been confined so far to steel-hungry Asia, Mr. Anderson said.

The announcement follows two recent North acquisitions in copper and zinc, and is part of a strategy to firm up sagging profits and become a global player in metal commodities. Weak metals prices and a strong Australian dollar have sent earnings into a slide in recent years, intensifying North's search for new growth opportunities.

North posted Friday a 55 percent rise on net profit for the six months to Dec. 31, largely due to improved performances in its iron ore, copper and uranium operations.

It said the second half of 1996-97 (July-June) would be even stronger and the outlook for 1997-98 brighter still, with the start in August of the huge Alumbrera copper-gold mine in Argentina. North owns 25 percent of that project.

But some stock analysts sounded a warning about North's latest foray, citing the Canadian company's high production costs and the uncertain outlook for iron ore.

The stock market barely reacted to news of the acquisition and the interim profit announcement, both of which were widely expected.

North shares inched two cents higher from Thursday's close to end the week at 3.94 Australian dollars ($3).

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MONEY

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MONDAY: SPORTS

Portrait of an old man, once thought to be a Rembrandt but now attributed to the 17th-century artist Govaert Flinck; an early experiment in Impressionism executed by Van Gogh in 1887; Degas pastel of a woman after a bath.

In Art-Market Speculating, What You Don't Know Will Hurt You

By Souren Melikian

LAST FALL, an American dealer who was viewing the Old Masters paintings to be sold at auction by Christie's in London in December stopped dead in his tracks. Tucked away among the lightweights scheduled for the afternoon session, a 14th-century panel showing Jesus as the Salvator Mundi (Savior of the World) had caught his eye.

The painting was peeling off slightly around the edges. Unframed, it had the neglected appearance of a panel that had been left in an attic for a long time. What might have been deemed to be in poor condition by a novice was actually well preserved. A few scratches could be ignored, given that the paint surface was virtually intact, having been spared any unnecessary attention from overzealous restorers in this century.

But what really gripped the dealer, Peter Silverman, was the catalogue entry, which dismissed the panel in three lines as "a variant of that made by Vivarini (c. 1497-1494) for the reliquary in S. Giovanni in Bragora, Venice."

Mr. Silverman was struck by the mastery displayed in the painting, in particular in the raised hand. He rushed out to buy the standard reference work on the artist, which had long been out of print ("the best $90 investment I ever made").

He immediately noted that the marvelous raised hand was missing in the "original," from which the Christie's version was supposed to be derived, and, after poring over all the relevant reproductions, reached the conclusion that Christie's actually had the real article — the first version, and not a variant painted in the artist's studio by talented students.

Unfortunately, two other dealers were thinking along the same lines: Edmondo di Robilant and Richard Herner, a former director of Colnaghi's. They pooled resources rather than engage in a murderous auction battle, which would have attracted their competitors' attention to a picture that few had focused on, and got it for £25,500 ($42,000). This is far above Christie's high estimate of £8,000, but not much more than 5 percent of what the painting might sell for as a rare, genuine work by the Venetian master.

If the painting is widely accepted as a Vivarini, as seems likely, a frenzy of excitement can be expected from investors new to the art market. They will be likely to see this coup as proof that they are on the right track for huge profits while displaying their refined culture.

It should, however, suggest the exact opposite.

Mr. Silverman and Mr. Herner, apart from being professionals of a high order, belong to the last generation of dealers that had a taste of a market in which abundance prevailed, as opposed to the current climate of penury. To this experience they owe a sharpness of the eye and broad range of visual information that the present younger generation cannot hope to acquire.

The older dealers started browsing around auction rooms more than two decades ago, at a time when there were still sales of good paintings virtually every month. They trained their eyes, as one did in those days, by seeing works in many sales that had no catalogues at all, as was common practice, for example, in Paris at Drouot until the early 1990s. A dozen pictures would be shoved into an auction that then went on to porcelain and furniture. Or, if there was a catalogue it was so flimsy that it was not worth the time spent reading it.

These dealers acquired knowledge with their eyes before opening art books. Indeed, when they began their careers, what mattered was not so much how many times a picture had been included in this or that exhibition, nor the number of illustrations it had received in art publications, but what it actually looked like.

Collectors were the same. Had it been suggested to any of those trained in the weekly skirmishes fought on the collecting battlefield that they should consult an "expert" before buying a given work of art, they would have been as amused as if someone had urged them to seek expert advice before marrying.

This is not to say that the acquisitions made by the collectors of yore invariably inspire admiration today.

Our understanding of past masters now changes from one decade to the next. So, accordingly, do the labels we give them. On Friday in New York, Christie's sold as the work of Govaert Flinck a portrait of an old man with white straggly hair seen in a dramatic contrasted light. It made a modest $167,500 with the famous London firm Agnews bidding up to $130,000 ($145,000 with the sale premium).

Yet, from 1882, when it was first recorded in the German trade, until 1957, when the Los Angeles County Museum of Art included it in one of its art shows, the portrait was believed to be a Rembrandt masterpiece.

It had been bought as such from a famous New York firm, Rosenberg & Stiebel, by Hans Cohn, a great collector born in Germany and trained in the old European way. In retrospect, such a price would have been peanuts had the portrait pursued its artistic career under its Rembrandt identification. A recognized portrait by the master would be worth anything from $10 million to $20 million or even more.

COLLECTIBLES

But in 1969, the Dutch scholar Horst Gerson published his revised edition of the catalogue raisonne — a systematic listing and study of all recorded works by an artist — of Rembrandt's oeuvre originally written by the art historian A. Bredius. Of the portrait he wrote: "an attribution to Rembrandt seems doubtful." And that did it.

Over the long term, nothing is quite as chancy as buying Old Masters. Over the short term, Old Masters are fine investments, if you know precisely what you are doing — if, in other words, you are a professional. So should artistic-minded speculators stick to Impressionists and 20th-century masters where, with rare exceptions, problems of attribution do not arise? Nearly every picture in these categories is signed, and the oeuvre of most of the well-known artists has been recorded in catalogue raisonne form.

Alas, that helps only to a limited degree. Then comes the crucial problem of assessing the quality and defining the relative importance within the artist's oeuvre as a whole. One Exxon share may equal another Exxon share, but one Degas does not equal another Degas.

A pastel of a woman in the nude, standing after having stepped out of her bath, sold on Nov. 13 for $7,262,500, which was more than the highest expectations. The modeling of the body and the handling of light accounted for that success.

Yet another pastel drawing of a young girl sprawled on a low couch while gazing at a large open book sold, only just, for $1,212,500, failing to match the lower end of the estimate by $110,000. The composition is a bit awkward and the artist badly missed out on the raised arm. It dangles over the girl's head in a gesture that is more apish than charmingly adolescent.

Reading auction catalogues yields no clues on such matters. In Christie's Nov. 13 sale, the entry dealing with a curious painting of a woman standing in a garden, executed by Van Gogh in Paris in 1887, went on and on, but refrained from observing that this was done by the Dutchman as an experiment in Impressionism, which he had just discovered. The picture does not yet display the powerful swirling style that Van Gogh was to develop later in the South of France. Because the landscape is not immune from clumsiness — the skirt of the old woman seems to melt down and drip into the grass — it did well to be sold at $3,412,500.

Looking at the wild estimate of $5 million to $7 million plus the sale charge, a beginner with little visual knowledge would have had some excuse for believing it to be, on the contrary, quite a bargain. Needless to say, it takes an altruistic auction-house expert to tell a prospective client that he really should lay off.

The Impressionist market, now characterized by extreme penury, is reaching its tail end. More and more of the leftovers of past decades resurface, graced with glamorous entries and increasingly generous estimates. Some come unstuck, others find a niche, often

Jesus panel attributed to Vivarini.

courtesy of a single bidder. Deftly led by the auctioneer to jump the reserve, the beginner may count himself lucky because the price is below the printed estimate. But that is just about the worst possible reason for buying anything.

The only true way to buy, whether for the sake of collecting or making money, is to do so out of the force of personal conviction, prompted by years of looking and comparing. If you know what you want and you find something you want desperately, the chances are that some day someone else will, too. If you are the only contender, without having the advantage of immense knowledge, take a deep breath and look the other way.

What to Know Before You Buy

For investors interested in trying the art market, here are some questions to try to answer before buying:

- How safely established is the authorship of the picture? Have there been many fluctuations of scholarly opinion on the subject?
- How indisputable is the signature, if there is one? Most are beyond dispute, barring outright forgeries, but beware of "traces of a signature." Remember that a "stamped signature" is not the same as a signature. It means that a stamp reproducing the signature was cut after the artist's death.
- How impeccably preserved is the work? Only a few Old Masters retain their pristine bloom — the sfumati for example, which give a delicate coloration to the surface varnish, are nearly all lost in 17th-century painting. Condition can make a huge difference to the probable price, which can be multiplied three or four times in the case of Old Masters.
- What is the degree of importance within the master's oeuvre?
- Not least, how skillfully painted is it? How good are the arms and hands? How subtle the lighting?
- How rare is the work — in museums and in the market?
- Most important, and not nearly as subjective and ill-defined as the artistically illiterate would have you believe, how beautiful is it?
- If you buy to resell, know how many likely buyers there are. At $3 million to $5 million, you may have 20-30 buyers worldwide for a given Old Master; at $10 million to $20 million, there may be barely a dozen. Know which museum has what, which collector recently bought a related work of comparable quality (that rules him out) and who needs what to fill a gap in his collection. Professionals know or try to know it all. Dealing is not just a full-time profession; it is a 24-hour-a-day obsession. —SOUREN MELIKIAN

Modern Masterpieces Or Illicit Urban Scrawl?

Perils and Profits of Collecting Graffiti

By Digby Larner

RIDING ON a graffiti-spattered commuter train, consider this: You may be aboard a highly collectible piece of art, created by an artist with a name like Crash, LA2 or Fab5Freddy.

These names may never have their place beside Vermeer or Velazquez, but since the graffiti boom of the late 1970s, a number of artists have been lured into the confrontational and sometimes profitable world of fine art.

Buying graffiti, however, involves problems that only the most determined collectors may try to overcome, especially because making a profit can be tough. For a start, getting into graffiti means coming to terms with the vocabulary. The artists prefer to be called writers; the word graffiti is considered pejorative. The form should be called graf art or, better, Wild Style art.

The origin of Wild Style is credited to the Bronx borough of New York in the late 1960s. It began with teenagers painting stylized versions of their names, or tags, on subway cars. From this, the rounded letters now associated with urban graffiti developed and the projects became more ambitious.

A New York contemporary art expert, Jeffrey Deitch, was so convinced of the collectability of graf writing in the 1970s that he recommended buying and storing a train that had been painted by one of the better-known writers of the time. He failed to take his own advice.

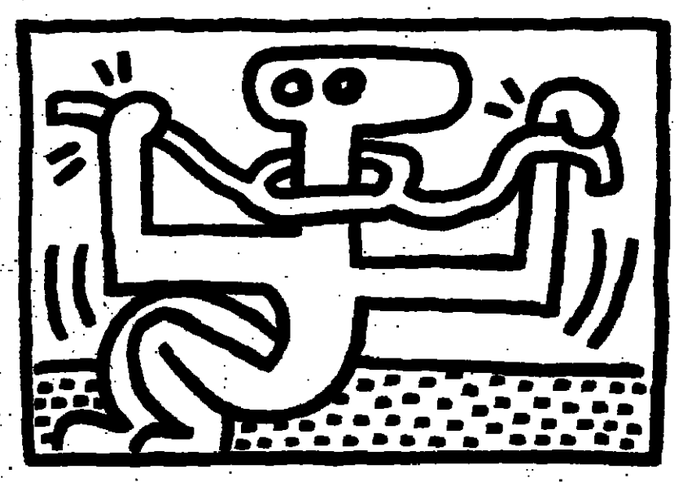
"The trouble now is that a lot of that work has gone," he said. "Apart from some good photographic documentation by Henry Chalfont and Martin Wong, who collected some of the more prominent writers' sketchbooks, there's little of it around."

Although some writers have made the move to canvas or other practical media, the work collectors want is still what has been executed on trains and walls.

"It's the kind of thing that's best seen in context," said Mr. Deitch. "It's something that flashes by quickly, not something that galleries sell."

Not surprisingly, this makes it a tough art form to trade. Even so, galleries often exhibit examples of Wild Style art, with prices typically ranging from $5,000 to $10,000.

Whether buying graffiti is a good investment is another matter. For the most part, the graffiti movement peaked in New York by the beginning of the 1980s. With little of the original work available and with no current artists enjoying the cult status of people like Crash, the market has remained flat.



Untitled work by Keith Haring, an artitst who started by writing graffiti.

The time to get in, said Mr. Deitch, is when signs of a revival appear.

"It has been quiet for some time," he said. "But now that people are a generation removed from the real graffiti movement, they may look at work from the late 1970s and find it fresh and exciting."

This, he said, could spark a neo-graffiti period.

As far as most galleries and dealers are concerned, whatever promise graffiti offers to collectors is still a long way off. Suzanne Greaves, of the Anthony D'Offay gallery in London, said that although she had heard of exhibitions devoted to street art or music art, which includes graffiti, she had never seen such work change hands.

The best hope for would-be collectors is to find an artist who is set to leap into the art mainstream. This is much easier said than done. Such a move inevitably sounds the death knell for the artist's credibility among fellow graf writers, who regard commercialism as counter to their culture, but can be a huge money source for the artist and collectors.

Several acclaimed contemporary artists either started as graf writers or have been heavily influenced by the movement. The best known to the general public is perhaps Jean Michel Basquiat, who died in 1988, said Luca Marenzi, a contemporary art specialist with Sotheby's in London.

Continued on Page 17

A Bull in the Vineyard, But Vintage Deals, Too

High Demand Boosts Wine Prices

By Aline Sullivan

FINE WINES have never lacked colorful, if ambiguous, descriptions. Terms such as flinty and mushroomy may not be particularly enlightening for prospective buyers, but two less-fanciful adjectives, scarce and expensive, are harder to misconstrue.

Prices for some red Bordeaux, the benchmark by which fine wines are measured, have almost doubled in the past month. For example, a 1985 La Mission Haut Brion now fetches $120 a bottle in New York, up from $65 at the beginning of the year and just $50 a year ago. Auctioneers and wine merchants attribute such gains to a shortage of good wines, caused by the disappointing vintages of 1991, 1992 and 1993, and to increased consumption in the United States and Asia.

Prospective buyers will discover that not every investment opportunity has soured, however. Some of the wines that have shot up in value may be no longer be worth buying. But lesser-known wines from the less-impressive vintages have some catching up to do.

Fritz Hatton, head of the Christie's wine department in New York, predicted substantial gains this year for at least two vintages.

"Dramatic increases in the price of 1982, 1986 and 1990 Bordeaux are causing upward pressure on the '85s and '89s," he said. "But the 1988 and 1983 vintages are still being overlooked. The 1988 in particular could jump as much as 30 percent in the next 12 months."

Jonathan Stephens, a director at the London wine brokerage Farr Vintners, shared that view.

"The 1989s could show super gains, although my top choices are the '86s and '90s," he said. "There is also a feeling of excitement about 1995 Burgundies, which are about to hit the market."

Prospective buyers can also look forward to even more recent yields: 1996 wines, which will not be available *en primeur* — before bottling — until next spring, are expected to be very good.

Jeff Zacharia, vice president of Zachys Wine & Liquor Inc., a wine brokerage in Scarsdale, New York, points to 1993 Bordeaux as the most likely vintage to appreciate this year.

"It is sometimes difficult to judge a wine very early on, and reviews for the '93 vintage were not favorable," he said. "But wine writers are rethinking their positions now. A 1993 Haut Brion sells for about $80 a bottle in New York. That

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THE MONEY REPORT

Terrestrial globe, one of a pair made in 1648 by Willem Blaeu of Holland.

Terrestrial Investing: A New Spin on Globes

Antique Spheres in Collecting Limelight

By Judith Rehak

SOME OF THE most extraordinary and beautiful images to come from space exploration are those of the earth hanging in starry space, shrouded in clouds in some places, the familiar forms of the continents clearly recognizable in others.

But long before humans mastered space flight, makers of globes were creating their own renditions of the heavens and earth.

In 15th- and 16th-century Europe, globes were so valuable that they were owned mostly by royalty and princes of the church. Globe-making originated in Germany, then moved to Italy and France, spreading in the 17th century to Holland, during the great age of global trading and exploration, and then to England as part of its instrument-making industry.

COLLECTIBLES

Lately, these antique globes have moved into the spotlight from their once-obscure corner of the collecting world, attracting buyers for a variety of reasons.

"Philosophically, some people feel a certain affinity with images of the earth, moon and stars, and on another level, the interest is in historical changes, like political subdivision, exploration and history," said George Glazer, a New York specialist in American-made globes.

Others appreciate their beauty, and simply want a single, impressive example to lend an Old World tone to their libraries. Some collectors have specific interests.

Mr. Glazer sold an 1870 globe, dedicated to Samuel Morse and showing global telegraph lines, to an executive in cellular and cable communications.

"He wanted it because it was part of the history of his business," the dealer said.

At the high end of the globe hierarchy are those made by masters like the Dutchman Gerardus Mercator and Charles-Francois Delamarche of France.

An example is a pair made in 1648 by Willem Blaeu, a renowned Dutch master, currently being offered for sale by Richard Arkway, a map expert in New York.

Each sphere is 26 inches (66 centimeters) in diameter. The terrestrial version was the first to include Henry Hudson's 1609 mapping of Nieuw Nederland, which is today known as New York.

The celestial partner depicts lions, bears and dragons roaming the skies. The globes, which formerly belonged to a family of Italian aristocrats, are in prime condition, with their original compasses and stands, and carry a price tag of $825,000.

BUT THE good news is that an array of antique globes are available for far smaller investments. Among the most interesting are pocket globes made in England from the early 1700s to mid-1800s. Only 3 to 3¾ inches in diameter, they come in shark-skin cases and are priced anywhere from £200 ($320) to £2,000, depending on age and condition.

"They were gentlemen's toys," said Tom Lamb, a globe specialist with the London auction house Christie's. "The idea was that they kept them in their pockets and would bring them out in a coffeehouse to discuss world affairs."

After pocket size, the next largest are table globes ranging from 6 inches to 12 inches in diameter, usually intended to be placed upon a table or desk. A terrestrial sphere from about 1800, when European globes were still handmade but mass-produced, sells today for about £4,000 ($6,400).

Collectors who favor heaven and stars over geography can often purchase a celestial globe for half that, Mr. Lamb said, because fewer people understand astronomy. One of Mr. Glazer's favorites is a late 19th-century celestial globe by the American Henry Bryant, with concentric rings showing the movement of the planets. He estimated the value of the globe, which is in mint condition and still in its original carrying box, at $13,500.

There are a variety of novelty globes, as well. Umbrella versions are made of fabric and open up to be hung from the ceiling. There are wooden jigsaw globes from the Victorian period. But all globes do not qualify as antique.

A New York lawyer with offices in Manhattan's Rockefeller Center owns a globe from the 1930s, when the complex was built. Illuminated by an interior lightbulb and supported by an Art Deco statue of Atlas, it fits in with the era but is not antique.

Beyond personal preferences, one of the most important aspects of globe buying and ownership is condition and care. A globe in less-than-ideal condition will cost less, but it will also be worth less if you hope to sell it someday.

Early globes, in particular, demand special care. Most were made of papier mache, with hand-colored paper images glued on over a gesso finish.

"They crack easily, and if you drop them, they're destroyed, or if they get damp, they can disintegrate," warned Mr. Lamb. A globe left sitting in the sunlight will fade and lose value.

To learn more about the history of globes and define an area of interest, many experts recommend "Globes from the Western World," a book by Elly Dekker and Peter van der Krogt (Philip Wilson Publishers, London). For availability and current prices, consult map and scientific instrument dealers, who typically carry globes. Christie's has sales of English and continental globes twice a year in London, the next on June 25. Most dealers will mail catalogues and price lists upon request.

On Internet, Paulus Swaen of the Netherlands auctions globes and other antiques at its web site: www.swaen.com.

If You Buy Right, You May Never Have to Sell

MY STANDARD, flippant response when someone asks what I think of this soaring stock market is: "Hey, just relax and enjoy it." It's not a particularly useful answer, but, then, it's not much of a question, either.

So ask me a tough one, like, "Is it time to sell Coca-Cola?" Or, tougher, "When should I sell stocks in general?"

This timely question has vexed investors almost forever. I have never heard a satisfactory answer — not until last week, that is, when I bought a book that I had heard extolled for years but whose existence I had come to doubt.

The book is Philip A. Fisher's "Common Stocks and Uncommon Profits," first published in 1958, when Mr. Fisher, a California financier and startlingly clear thinker, was 51.

Mr. Fisher's great strength, according to one of his biggest fans, Warren Buffett, is his ability to figure out which stocks to buy — his famous "15 points to look for."

But Mr. Fisher on selling impresses me as much as Mr. Fisher on buying. "I believe," he writes, "there are three reasons, and three reasons only, for the sale of any common stock." Hint: None applies to Coca-Cola.

The first is that you made a mistake in buying the stock, that is, a factual error about a company's condition. Be honest and cut your losses quickly.

The second is that the company has deteriorated, so that it no longer meets the original criteria for purchase. For Mr. Fisher, the key is usually a decline in management: "Smugness, complacency or inertia replace the former drive and integrity," or, more often, a new group of managers takes over that does not measure up to the old.

The third reason to sell is if a prospect comes along that is clearly far better than a stock you currently own. But, having laid down this rule, Mr. Fisher immediately backs off it: "A word of caution may not be amiss, however, in regard to too readily selling a common stock in the hope of switching these funds into a still better one."

JAMES GLASSMAN *ON INVESTING*

One problem, of course, is capital gains taxes. But, more important, Mr. Fisher worries that, with the new stock, "there is always the risk that some major element in the picture has been misjudged," while, with the old, comfortable stock, an investor has already gotten "to know its less desirable as well as its more desirable characteristics."

In other words, stick with what you know. Mr. Fisher is nothing if not conservative. He takes a long time choosing companies. He does not worry much about their current price because he plans to hold them a long time. And he limits diversification. Five good stocks can be enough. His own portfolios often included fewer than 10, with 75 percent of the assets concentrated in three or four.

But, most of all, Mr. Fisher is allergic to selling. "At this point," he writes, "the critical reader has probably discerned a basic investment principle which by and large seems to be understood by a small minority of successful investors. This is that once a stock has been properly selected and has borne the test of time, it is only occasionally that there is any reason for selling it at all."

So, here's the answer to the vexing question: When to sell? Never. Or, as Mr. Fisher puts it, allowing some wiggle room for factual mistakes and bad managers, "almost never."

But what about the chance that an overvalued market is about to tank? Nonsense, says Mr. Fisher. By succumbing to worries about the market, "the investor is ignoring a powerful influence about which he has positive knowledge through fear of a less powerful force about which, in the present state of human knowledge, he and everyone else is largely guessing."

In other words, a smart investor knows that Intel Corp. is a magnificent company with great management and great products. What the investor does not know is whether the Dow Jones industrial average is going to fall 1,000 points in the next month. Does selling Intel under those circumstances make sense?

Mr. Fisher also argues that, even if you know that a bear market will occur, selling is dumb. With the right company, the stock should hit new highs with the next bull market. But if you sell, how can you know when to buy the stock back?

What about "the argument that an outstanding stock has become overpriced and therefore should be sold"? This, of course, is the case of Coca-Cola (which has sextupled since 1990), not to mention Intel (tripled in one year) Microsoft (quintupled in three), Gillette (doubled in 16 months), and a multitude of others.

But Mr. Fisher, the leading apostle of growth investing, argues that we can never really know what "overpriced" means. Since no investor can pinpoint what a company will earn even two years from now, "how can anyone say with even moderate precision just what is overpriced for an outstanding company with an unusually rapid growth rate?"

Finally, he addresses what he considers the argument for selling that's the "most ridiculous of all." It's that the stock has had a huge run-up in price and has somehow used up all its potential. "Outstanding companies, the only type which I believe the investor should buy, just don't function that way," he writes. They just keep rising, often through fits and starts, but spectacularly over time.

The best illustration of this is a mutual fund called Lexington Corporate Leaders. It was started in 1935 with a unique premise: find 30 blue-chip companies that will prosper for the next 80 years (later increased to 165 years) and hold onto them. The fund management was prohibited from selling — unless companies were merged out of existence.

Today, Lexington includes 23 of the original stocks (including Mobil, Procter & Gamble and AT&T). If you had put $10,000 into the fund in 1941 (when it was reorganized to conform to new federal laws), your investment would now be worth $3.7 million.

The fund is a perfect example of Mr. Fisher's philosophy: If you make the right decisions to start with — when you buy stocks — then those will be the only decisions you will have to make.

Washington Post Service

BRIEFCASE

U.S. Treasury Notes a Hit With Investors Abroad

The inflation-linked notes sold last week by the U.S. Treasury were a hit with international investors, and if you like the idea of locking in a dollar interest rate of about 3.5 percent, the securities can be bought directly from the Treasury by overseas investors.

The 10-year notes, which can be purchased in denominations of as little as $1,000, were auctioned at a yield of 3.45 percent on Wednesday and were trading at about 3.35 percent on Friday, compared with a 6.56 percent return on conventional 10-year Treasuries.

Interest and principal on the new securities will be adjusted to reflect changes in the consumer price index. Otherwise, they are no different from usual T-bills and notes, said a spokesman for the Bureau of Debt, which conducts Treasury auctions.

Buyers who want to avoid brokerage commissions can buy notes directly from Federal Reserve Banks. The next auction is in April. For more information, from Asia call the Federal Reserve Bank in San Francisco at 415-974-2000; from Europe, contact the Fed in New York at 212-720-7773. *(IHT)*

It Isn't What Firms Know, But Where They Know It

It isn't what you know, it's where you know it, Morgan Stanley Capital International said in a report on European stock investing. According to Morgan's research, European equities tend to rise and fall based on their home stock markets rather than on the industries in which the companies specialize.

In the five-year period from 1991 to 1995, national stock-market fluctuations dominated 69.5 percent of stock movements, compared with 30.5 percent of the time for industry moves. Only British and Dutch stocks were more responsive to industry shifts than to changes in the national markets. In Italy, by contrast, the movements of the national market were more important 97.5 percent of the time.

In only three industries were national-market considerations less important than the business of companies: airlines, road and rail transport, and energy equipment and services. The effect is less striking than it was in the previous five-year period, when national factors dominated 82.9 percent of the time. *(IHT)*

For Emerging Investors, A Plan From Merrill Lynch

Right after we put the finishing touches on last week's Money Report, including the lead article about low-cost alternatives for beginning investors, Bloomberg News reported that Merrill Lynch & Co. was introducing accounts for investors aged 25 to 45 who only have "hundreds of dollars" to invest.

The Emerging Investor program will offer access to 1,100 funds, investment research and financial advice. The account charges a $24 annual fee, which is waived if customers add at least $100 a month to their accounts. *(IHT)*

The Best and the Worst Of Funds in Australia

BNP Investment Management, First State Fund Managers and Tyndall Australia produced the top returns from Australian equity funds in 1996, InTech Asset Consulting Ltd. said.

The three worst-performing fund managers out of the 37 surveyed were EquitiLink, Legal & General Investment Management and Balanced Equity Management.

BNP produced a return, including dividend payments, of 33.7 percent. First State 28.1 percent and Tyndall 25.0 percent. Equitilink returned 4.1 percent, Legal & General 10.9 percent and Balanced Equity Management 11.8 percent. The Australian Stock Exchange's All Ordinaries Accumulation Index, including dividend payments, gained 14.6 percent. *(Bloomberg)*

For Gaming and Lodging, Listen to Bankers Trust

Looking for analysts who seem to know what they are talking about? Then pay attention to the gaming and lodging teams at Bankers Trust Research.

On Jan. 24, these analysts suggested that investors buy shares in ITT Corp., which then were trading at $44.375 each, forecasting a rise in the stock to $55 a share over the coming 12 to 18 months. On Monday, Hilton Hotels Corp. obligingly offered $55 a share for the rival hotel-and-casino company.

The BT analysts subsequently reduced their rating on ITT to "market perform" from "buy," saying the stock's potential price was $60 to $65.

What do they like now? Thomas Ryan said the top gaming pick was Mirage Resorts Corp., which has two casinos scheduled to open in 1998. One is the Bellagio, on the Las Vegas Strip, which Mr. Ryan said would be "the most expensive and luxurious hotel in the world," and the other is a Golden Nugget in Biloxi, on Mississippi's Gulf Coast. He said Mirage was "relatively cheap" at its current price of about $25.

Bryan Maher, a lodging analyst, recommended Prime Hospitality Corp., which runs hotels in secondary U.S. markets. He said Prime was worth about $25 a share, compared with its current price of about $17.25. It is expanding its AmeriSuites hotels.

Mr. Maher said BT also likes Host Marriott Corp., which the analysts said was worth $22 a share, up from its current price of about $17. BT cited Host's deal this week to buy the Ritz-Carlton hotel in Marina del Ray, California, and expected strong performances at the firm's other hotels. *(IHT)*

As Prices Soar, Wine Market Is Still Ripe for Deals

Continued from Page 15

compares with $225 a bottle for the 1990. Certainly 1990 was a great vintage, but there is no question that the '93 is undervalued."

It may be heresy to some wine buffs, but a selection of Italian, Californian and even Australian wines now make attractive, if risky, investments.

"The French wines have the longest track record, but they are the most expensive," said Mr. Zacharia. "If buyers do their research and know what to invest in they could do better elsewhere."

According to Mr. Zacharia, prices for Italy's Sassicaia are "skyrocketing" for the 1985 vintage.

"This wine went for $425 per bottle at auction last month, more than twice what it sold for a year ago," he said. He added that Dominus from California and the Penfold Grange wines from Australia were also attracting interest.

PORT ALSO IS appealing again, after years in the doldrums. The heavy, sweet after-dinner wine, which is drunk almost exclusively in the United States and Britain, suffered from image problems in recent years as people became health-conscious and concerned about drinking before driving. Recently, however, the wine has regained some of its appeal, due in part to a marketing campaign aimed at young consumers. The 1994 vintage port is now extremely expensive, according to Paul Bowker at Christie's in London.

At about £400 ($645) a case "it costs as much as the 1997 vintage, which was a really great vintage," he said.

Investors looking for bargains should consider the 1983 and 1985 vintages, both of which he believes are still "ridiculously cheap."

Like any investment that offers the prospect of a 30 percent return in a year, wine can be risky. Last year, Le Pin overtook Petrus as the most expensive Bordeaux, climbing to £2,200 a bottle in London for the 1982 vintage. Now the same bottle would fetch just £1,500, according to Mr. Stephens.

"It was very much a speculative bubble and now it has burst," he said. "But if someone wanted 10 cases they would still have to pay the high price because it is so difficult to find."

Le Pin produces only about 700 cases each year.

All told, however, the outlook for the wine market appears rosy.

"Wine is historically a good investment, and there are now a lot of new consumers of fine wines from emerging economies of Southeast Asia," Mr. Bowker said.

"Demand is so strong that buyers can stand higher prices. Like Wall Street, the wine market may still have some mileage in it."

A Fine Art Form Or Urban Scrawl?

Continued from Page 15

"I guess he was a graffiti artist in the true sense in that he simply wrote on walls," he said. "I doubt if any of his early work has survived, but a good Basquiat painting would fetch around $200,000. In fact, we had a Basquiat as the top lot in our March collection."

Mr. Basquiat was discovered by the New York art dealer Annina Nosei in the 1980s. She reportedly put him to work in a basement studio to recreate his art on canvas. Dealers said that his early death from a drug overdose in 1988 at age 27 added both to the rarity and mystique of his work.

KEITH HARING, who died in 1990 at the age of 32, is another artist who is often credited with having started by writing graffiti, particularly since he had worked in collaboration with LA2. Mr. Marenzi said this was overstated.

"He may have started drawing his figures on walls, but in essence he has always been a fine artist," he said. "Very early on, he was producing multiples of his designs on badges and T-shirts."

No matter how credible graf art becomes, it remains vandalism to the authorities whose vehicles and walls serve as the canvas. London Transport said that it spends £10 million ($16 million) a year cleaning graffiti off trains and buses. Subway cars in many cities are now often coated with a substance that allows easy removal of graf writers' work.

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Herald Tribune
THE WORLD'S DAILY NEWSPAPER

Herald Tribune
SPORTS
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WORLD ROUNDUP

Hingis and Graf Win Easily

TENNIS Martina Hingis, the Australian Open Champion, and Steffi Graf, the World No. 1, easily advanced Friday to the semifinals of the Pan Pacific Open in Tokyo.

Hingis routed South Africa's Amanda Coetzer, 6-0, 6-1, on the Tokyo Metropolitan Gym's fast carpet surface, while Graf beat Iva Majoli of Croatia, 6-2, 6-3.

In the semifinal, Hingis will play Anke Huber of Germany, a 6-3, 4-6, 6-2 winner over Lindsay Davenport of the United States.

Graf will play Brenda Schultz-McCarthy of the Netherlands, a 6-1, 6-0 winner over third-seeded Conchita Martinez of Spain.

• Goran Ivanisevic, the No. 1 seed, beat Sweden's Thomas Johansson 7-6 (7-4), 6-4 to advance to the quarterfinals of the Croatian Indoors. Ivanisevic is a part-owner of the tournament. *(AP)*

Koji Sakahara/The Associated Press

Brenda Schultz-McCarthy beating Conchita Martinez.

NBA Loses in Court Over Scores on Pagers

BASKETBALL Live updates of sports events delivered over pagers and computers got the legal green light from a federal appeals court that found that the NBA was not hurt by microchips and wireless gadgets.

The U.S. Circuit Court of Appeals in Manhattan rejected a lower court decision that found Motorola and statistics provider STATS Inc. could not legally transmit live NBA game scores and statistics from TV and radio broadcasts.

The NBA said it planned to appeal either to the full appeals court or to the Supreme Court.

The court said the delivery of facts over beepers and on-line computer services differed from a game shown on TV or heard on radio because they "reproduce only factual information culled from the broadcasts and none of the copyrightable expression of the games."

SportsTrax became available a year ago at a cost of about $200.

It can make updates seconds apart on such facts as the score, which team has the ball and time remaining. *(AP)*

• Tom Chambers, 37, one of just two dozen NBA players with 20,000 points, came out of retirement, Thursday, to play for the Charlotte Hornets. Chambers last played in the NBA for Utah in 1994-95 and spent last season in Europe. *(AP)*

Raiders Appoint Bugel

FOOTBALL Joe Bugel became the Oakland Raiders' coach, filling the spot left empty since Mike White was fired Dec. 24. Bugel was an assistant coach for the Raiders for the last two seasons. He was head coach of the Phoenix Cardinals in 1990-93. *(AP)*

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Bowe's New Training Regimen: Marine Boot Camp

Compiled by Our Staff From Dispatches

NEW YORK — On Parris Island, South Carolina, the U.S. Marine Corps Reserve awaits the arrival Feb. 10 of a raw recruit for three months of boot camp: Riddick Bowe.

The recruit is bigger, older and more famous than the average aspiring leatherneck.

"I guess he's a millionaire," said Major Rick Long, a spokesman for the Marines at Parris Island. And no other "maggot," as Bowe refers to his new status, is a former two-time heavyweight champion.

"It's no surprise that anyone would want to be a Marine, for what we are and what we stand for," said Captain Dave Steele, a spokesman for the Marine Corps Recruiting Command in Washington, who confirmed Bowe's enlistment.

Bowe is a boxer in limbo, someone whose skills appear to be declining. He was headed for losses in both recent fights with Andrew Golota had Golota not been disqualified each time for low blows. But Bowe insists that he would be relishing the thoughts of reveille at 0400 hours and scrumptious morning chow even if he had knocked Golota out Dec. 14 in Atlantic City.

"It's slop," he said, "but hey, I eat slop in training camp."

Jeff Christensen/Reuters

Riddick Bowe posing with his Marine Corps papers.

The Marines have been Bowe's big dream for a decade.

"I'm financially secure, and I want to do something different," he said Thursday at the offices of HBO, the U.S. cable television network.

He signed up with the Marines in Baltimore last week — he brought a snapshot to prove it — but the announcement was delayed until the Marines waived the top enlistment age of 28 to admit Bowe, who is 29.

Instead of pummeling the heavy bag, Bowe's routine on his first day of duty, Long said, will include chin-ups, sit-ups, weight lifting and close-order drills. By day 50, for example, he will fire live rifle ammo and carry weapons and packed crates under barbed wire and around an obstacle course.

By the end of the camp, one of his major feats will be hiking 10 miles (16 kilometers) with a 53-pound (24-kilogram) pack on his back. When it's done, the 245-pound Bowe may be a cruiser-weight.

"His biggest problem will be the drill sergeant in his face every day," said his wife, Judy. "He'll find out what being a regular person is like again."

Bowe scoffed at fears of any full-throated, vein-popping martinet debasing him verbally. "It'll be mind over matter," he said.

To dissuade Bowe, his manager, Rock Newman, took him to Parris Island to watch the regimen that makes fight training seem like riding a pony.

"I was convinced when he saw it," Newman said, "he would say, 'No way I'm going to do this.'"

But Bowe watched boot camp and said, "I can do that." He also thought it would improve his appearance and make his mother proud.

"Imagine me in my dress blues at attention," he said, dressed in a brown suit, crew neck sweater and green cap with "Marines" stitched in red thread.

Newman said that Bowe's interest in serving his country became apparent when he first recruited him.

In November 1988, Newman said, Bowe told him "that he intended to go into the U.S. Marines."

Bowe nevertheless became the undisputed heavyweight champion in November '92 by defeating Evander Holyfield in a 12-round decision.

Bowe will not be a full-time Marine for long. Boot camp and follow-up training will take him through the summer. He will attend drills with his Washington reserve unit one weekend a month and for one two-week stretch yearly.

Bowe said he would resume boxing in August and fight "somebody I can whoop" by year's end.

Said to have reaped more than $100 million in winnings, endorsements and investments over an eight-year pro career, Bowe will earn $1,194.90 a month during initial entry-level Marine Corps training. He has made a three-year commitment to the active reserves, meaning he could be called to action in time of conflict.

But if he retires from boxing, he said he may become a full-time Marine.

"If I've got to die defending the country," Bowe said, "then what better way to die?" *(WP, NYT)*

What's Parcells Worth? Jets and Patriots Talking

By Gerald Eskenazi
New York Times Service

NEW YORK — The New York Jets have made it official: They announced that they want Bill Parcells to run their team and that they have begun negotiations with the New England Patriots over what it will cost them to get him.

The negotiations, between Steve Gutman, the president of the Jets, and Robert Kraft, the owner of the Patriots, came a day after Paul Tagliabue, commissioner of the National Football League, ruled that Parcells was legally bound to the Patriots for the 1997 season even though the split between Parcells and Kraft is so wide that there is no chance he will coach there again.

Parcells confirmed that Friday, announcing that he was leaving the Patriots but saying little else.

Tagliabue's ruling gave Kraft the upper hand in his talks with the Jets, who have clearly made Parcells the man they want in their efforts to rebuild a team that went 1-15 in 1996.

Kraft is also motivated by his anger at Parcells, who took the Patriots to the Super Bowl but then took much of the joy out of it because of his continuing contract dispute with the team's owner.

During the week of the Super Bowl, a business associate of Kraft's said that the owner complained bitterly about Parcells, saying, "This should be a great week for us, but he's sticking the knife in my back and twisting it."

Because of his strong negotiating position and his anger at Parcells, Kraft is expected to remain firm, for now, in demanding at least the Jets' No. 1 draft pick, which also happens to be the league's overall top choice.

Some people who know Kraft think he will ask for even more.

The situation involving the Jets, Parcells and Kraft is an intriguing one.

How much is a head coach worth? Especially one of Parcells's caliber. He has been to the Super Bowl three times and would be in charge of the Jets' personnel decisions on and off the field.

In terms of draft picks, there is believed to be only one NFL precedent for the Parcells situation. In 1970 Don Shula quit as coach of the Baltimore Colts after allegedly getting approval from Steve Rosenbloom, the son of the team's owner, Carroll Rosenbloom.

Shula had three years left on his contract, but promptly moved to the Miami Dolphins.

But Carroll Rosenbloom complained to Pete Rozelle, then the NFL commissioner, that he had not personally let Shula out of the deal, and Rozelle chose to believe him.

Rozelle then found the Dolphins guilty of tampering and awarded the Colts the Dolphins' first-round pick in 1971.

That turned out to be the 22d pick overall. The Colts chose a running back, Don McCauley, who played in Baltimore for 11 seasons but without particular distinction.

In 1995 the Carolina Panthers yielded second- and sixth-round picks, along with $150,000, for tampering with the Steelers' defensive coordinator, Dom Capers, who became the Panthers' first head coach.

But the Shula and Capers cases involved some form of tampering, and there has been no formal suggestion that the Jets have been guilty of that.

Around the league, Gutman and the Jets' owner, Leon Hess, are known and respected for their above-board dealings.

The New York Giants' general manager, George Young, noted: "There's been a value assigned to a coach before. Shula was worth it."

Young, who was associated with Shula for many years in Baltimore and Miami, added, "You could assign a figure to a coach just like you do with a player."

Since Parcells would presumably be the Jets' general manager and oversee the draft, he would want to be in on, if not at, the major event of the off-season involving collegiate talent — the scouting combine.

It will be held in Indianapolis a week from now. Then, on Feb. 15, the Jets and other teams can begin talking to free agents.

The Jets need plenty of help — particularly on the defensive line — and free agency is one way to get better quickly.

Paul J. Sutton/Agence France-Presse

Minnesota's Doug West, right, and Dallas's Sam Cassell tussling for the ball.

Malone's Pizzazz Lifts Jazz

Smith's Career-High Haul Can't Save the Hawks

The Associated Press

When time is running out and the game is on the line, Karl Malone gets selfish.

"My teammates told me to shoot, and I took their advice," he said.

Ten of Malone's 32 points came in the final 6:38 Thursday night, lifting the Utah Jazz over the Atlanta Hawks, 102-96.

Atlanta's Steve Smith scored 14 of his career-high 41 points in the fourth quarter of Atlanta's second loss in 15 games. Thirteen of those points came in an 18-9 run that gave the Hawks their only lead of the second half — 91-90 with 6:38 to play. Then came Malone time. He also grabbed 15 rebounds.

After Atlanta went ahead, Malone scored Utah's next 10 points to give the Jazz a decisive 100-95 lead.

Bulls 111, Kings 93 Michael Jordan scored nine of his 32 points during a 13-4 Chicago run down the stretch, and Scottie Pippen added 22 as visiting Chicago won its fifth straight game.

Mitch Richmond had 28 points and nine rebounds for Sacramento, which led by one at the half, but was held to five points in the final quarter.

Clippers 100, Grizzlies 94 At Los Angeles, Loy Vaught scored 20 of his 28 points in the second half and grabbed 11 rebounds to lead the Clippers to their third victory in four games. The loss was the seventh straight and 12th in 13 games for Vancouver, which is 0-4 since general manager Stu Jackson replaced the fired Brian Winters as head coach last week.

"It seemed like we were just fortunate that the clock ran out when it did," Vaught said after the Clippers saw a 21-point third-period lead shrink to 98-94.

Nuggets 113, Rockets 109 Ricky Pierce scored 25 points, and visiting Denver spoiled Hakeem Olajuwon's second straight 40-plus point game. Olajuwon, who had 41 points Saturday against the Utah Jazz, got 48 points and 10 rebounds against the Nuggets.

Timberwolves 92, Mavericks 82 At Dallas, reserve Sam Mitchell scored 21 points and Terry Porter had five points during a decisive run to open the fourth quarter as Minnesota extended its winning streak against the Mavericks to six games.

Chris Gatling returned from a one-game club suspension with a 29-point, 18-rebound game for the Mavericks, who have lost eight of 10 games.

Nets 113, Suns 101 Kendall Gill scored 32 points as New Jersey snapped a three-game losing streak and a five-game slide at home.

Khalid Reeves hit six 3-pointers and scored 25 points as all five Nets starters reached double figures just two nights after scoring only 62 points against Cleveland.

NBA ROUNDUP

Sanders Dusts Off Baseball Spikes

By Mark Maske
Washington Post Service

Deion Sanders became a two-sport phenomenon again Thursday, returning to baseball after a one-season absence — with the permission of his football team, the Dallas Cowboys — by announcing that he'll play for the Cincinnati Reds this year.

Sanders signed a one-year contract with the Reds, ensuring that he'll miss the Cowboys' training camp and exhibition season this summer. Precisely how his time will be divided once football's regular season begins is a subject for haggling among Sanders and officials of the Reds and the Cowboys.

The Reds' general manager, Jim Bowden, said Sanders's contract guarantees that he will be with the Reds as long as they're in the pennant race. The owner of the Cowboys, Jerry Jones, said the team expects Sanders to play in all of their regular season games next season. Sanders hinted perhaps he could play weekdays for the Reds and weekends with the Cowboys during the overlap of the seasons. His Cowboys contract reportedly guarantees him his entire football salary if he plays in at least eight regular season games.

It will be the 29-year-old Sanders's second stint with the Reds, with whom he spent parts of the 1994 and '95 seasons. He became a favorite of Bowden, then-manager Davey Johnson and his teammates, and Sanders said the bonds he formed with people in Cincinnati led to his return to baseball.

"This is the only team truly in baseball that I have felt like it was family," he said at a news conference in Cincinnati attended by Bowden and the Reds' owner, Marge Schott.

Sanders will probably be the Reds' center fielder and leadoff hitter. He's a .264 career hitter in seven seasons with the New York Yankees, Atlanta Braves, Reds and San Francisco Giants. His best season came with the Braves in 1992, when he batted .304 with 26 stolen bases and a National League-leading 14 triples in 97 games. He had 38 steals for the Braves and Reds in '94.

"Deion Sanders is not a great baseball player," Sanders said. "But he's a pretty good one, and he can get better." He added, "I didn't really miss the game. I missed the camaraderie, being there on an everyday basis with friends."

Bowden said, "I always thought that if he played baseball full-time, he'd be the best leadoff hitter in the game."

Bowden traded Sanders to the Giants during the '95 season, after which Sanders agreed to play football exclusively. He's coming off an NFL season in which, in addition to being the game's most respected cornerback, he spent time on offense as a wide receiver and caught 36 passes. He also suffered a broken bone in his right eye socket during the Cowboys' loss to the Carolina Panthers in the NFC playoffs and he said he still is suffering from blurred vision that probably will keep him from playing baseball for another month or so.

Sanders split his time between the Braves and NFL's Atlanta Falcons in the early 1990s, and in 1992 he suited up for a football game and a baseball playoff game on the same day.

■ Ex-Players Sue Over Video Game

Several former major league baseball players, some of whom are in nursing homes and living on fixed incomes, have sued a company that used their likenesses in a video game, The Associated Press reported.

The former players, including Don Newcombe and other members of the World Series-winning 1955 Brooklyn Dodgers, claim Warner Communications Co. paid the league $300,000 and 8 percent of the game's gross sales for use of names and likenesses of current players and coaches.

The company didn't try to obtain rights to use the names and depictions of former players in "Hardball 5," released in 1995, the lawsuit filed Wednesday in Superior Court contends.

The suit seeks the same deal the active coaches and players received, plus money to cover lawyers' fees and an unspecified monetary penalty, said James Yukevich, a lawyer for the players.

Gloomy, Ohio State Still Defeats Indiana

The Associated Press

Ohio State, playing without Jermaine Tate, its center sidelined with heart problems, and amid speculation about coach Randy Ayers's future, stopped a four-game losing streak Thursday night with a 73-67 victory over No. 17 Indiana in Columbus.

Damon Stringer scored 18 points, including four free throws in the final 21 seconds, as Ohio State — coming off a 31-point loss to Northwestern — ended a four-game skid against the Hoosiers (17-5 overall, 4-4 Big Ten).

No. 9 Louisville 81, No. 8 Cincinnati 70 At Louisville, Eric Johnson scored 10 points during a 20-5 run to push the Cardinals (18-2, 5-1) to victory in the Conference USA match.

■ Memphis Coach to Resign

Coach Larry Finch of the University of Memphis, whose team has been plagued by low attendance despite averaging 20 victories a season, will resign at the end of the season, The Associated Press reported.

COLLEGE BASKETBALL

SPORTS

Tomba Shows Perfect Timing

The Associated Press

SESTRIERE, Italy — Alberto Tomba is back where he belongs — in Italy, in the limelight and in peak form for the big show.

After a slow start in the World Cup this season, Tomba was skiing more like "La Bomba" of old as he prepared to defend his slalom and giant slalom titles at the World Alpine Ski Championships.

"I have to congratulate myself. I'm back," Tomba said after winning his first World Cup race of the season, a night slalom in Schladming, Austria, on Thursday.

He came back from third place after the first run to clock a second run of 48.93 seconds and a total time of 1 minute, 35.87 seconds.

That was 16 hundredths of a second ahead of the first-run leader, Thomas Stangassinger of Austria, who finished second in 1:36.03. Sebastien Amiez of France was third, 32 hundredths behind the Italian.

The race in Schladming was held at night under lights as practice for the slalom in the world championships. For the first time in the 60-year history of the event, four slaloms will be held under floodlights. The second heat of the men's and women's slaloms will start at 9 P.M. local time, prime time for European TV viewers.

Tomba had complained that he did not like night racing.

"I'm usually out dancing at that hour," he said.

But after his victory, he said, "I like the nighttime. I invented it."

The two-week championships begin Monday in Sestriere, a resort, 1¼ miles up in Italy's western Alps, one of Tomba's favorite sites. He won his first World Cup race in Sestriere in 1987, and has won a total of six races there.

After suffering wrist and knee injuries in a training spill early in the season, then coming down with the flu, Tomba was mostly a nonfactor on the World Cup circuit.

But he re-established himself by finishing second in the Kitzbuehel slalom last weekend. His victory at Schladming was his first in the World Cup in a year.

Tomba does not race until the last few days of the championships, leaving the spotlight to downhill and supergiant slalom specialists in the first week of competition.

Reuters

Alberto Tomba on the way to winning his first World Cup race of the season.

Parnevik Shines In California Mud

By Thomas Bonk
Los Angeles Times

PEBBLE BEACH, California — Jesper Parnevik of Sweden claimed a muddy share of the lead in the first round of the AT&T Pebble Beach National Pro-Am.

Parnevik made a 7-under-par 65 Thursday in the wet grass and the sloppy mud at the Poppy Hills course as did co-leader David Duval, who wound up feeling pretty good about how the day went.

For instance, Duval didn't lose his shoe in the mud even once, although he came close a couple of times when the ankle-deep stuff nearly sucked it right off his foot.

Duval had a simple philosophy on opening day at the rain-soaked courses on the Monterey Peninsula, where nearly 20 inches of rain have fallen this winter.

"I tried not to lose the ball," Duval said.

Tom Lehman, Billy Andrade and Brian Henninger were one shot back at 66 and nine players were tied at 67.

Parnevik, felt so bad on the practice range before his tee time, he told his caddie he didn't want to play.

"I could not hit one shot solid," he said. "Not one ball went where I was aiming."

Then there has to be an explanation for his 65.

"Golf is so strange," Parnevik said.

Tiger Woods probably would agree, especially after his slip-and-slide round of 70 at Spyglass that featured a bogey, a double bogey and five birdies.

Because of the soggy courses, the players were allowed to clean their golf balls and place them within a club length of where they stopped. Faldo, who missed only one green, said that advantage could have been worth as many as four shots.

Andrade said three tees had to be moved up at Spyglass, shortening the course by about 200 yards.

Add it up and 94 players in the field of 180 professionals broke par.

■ Golfer Lost on Purpose

Michael Campbell of New Zealand, who finished third in the 1995 British Open, said Friday that he stopped trying last year and purposely missed the 36-hole cut in a PGA European Tour event, The Associated Press reported from Perth, Australia.

"I got to the point where I was not enjoying the game and thinking pretty seriously about my future," Campbell said after the second round of the Heineken Classic.

"I was missing cuts on purpose and I remember at a tournament I had a 20-footer on the last hole. I knew the cut was going to be two over, and I three-putted on purpose because I didn't want to be there."

Campbell, 27, couldn't recall the tournament, but it is believed to have been the Spanish Open, won by Ireland's Padraig Harrington.

"I missed out on my tour card by about two or three thousand pounds, and if I'd made the cut in that tournament where I deliberately three-putted, I could have made my card for this year," Campbell said.

"It's not very good, is it?" said John Paramor, director of European tour operations. "It could affect how some of the sponsors regard their invitations. The greatest test is if his peers feel he has done a heinous crime. They will want to speak to him themselves."

On Friday, Campbell shot a 4-under-par 68 for a two-round total of 137. He was four shots behind the leader, coincidentally Harrington, who shot a course-record 63.

New Coach Is Curing Blues' Blues

The Associated Press

Since Mike Keenan moved out, the St. Louis Blues have been moving up.

With a 5-2 victory at Ottawa on Thursday, the Blues continued their climb through the NHL's Central Division.

Leading the charge as usual was Brett Hull,

NHL Roundup

who scored in his 11th straight game and helped St. Louis jump over idle Detroit into second place in the division.

"It's so much fun playing for Joel," Hull said of his new coach, Joel Quenneville.

Hull had a bitter relationship with Keenan, who was fired in December. At that point, the Blues were struggling with a 15-17-1 record. Since then they have been 10-6-3 under Jimmy Roberts (3-3-3), who was interim coach, and Quenneville (7-3-0). The victory over Ottawa gave St. Louis a club-record five straight on the road.

Panthers 3, Bruins 1 At Miami, Ray Sheppard set up the first two Florida goals, and the Panthers beat Boston on a night that defenseman Ray Bourque tied the Bruins' career point record.

Bourque's short-handed goal in the second period tied John Bucyk's 30-year-old career record of 1,339 points. Bourque has 352 goals and 987 assists in 18 seasons.

The Panthers won despite being outshot 38 to 16. The Florida goalie, John Vanbiesbrouck, stopped 37 shots for his fourth consecutive victory.

Canadiens 4, Lightning 1 Martin Rucinsky scored twice as Montreal snapped a four-game losing streak. It was Montreal's first victory at Tampa Bay after six losses and two ties.

Sharks 6, Flames 3 At Calgary, Andrei Nazarov had two goals and two assists and goalie Ed Belfour won his first game for San Jose as the Sharks defeated the Flames.

Both of Nazarov's goals came in the first period as the Sharks took a 3-0 lead on just four shots on Calgary goalie Trevor Kidd.

Belfour made 30 saves to record the win after losing his first two starts since being acquired Saturday from the Chicago Blackhawks in a four-player trade. The two-time Vezina Trophy winner was especially sharp in the third, making 17 saves.

Canucks 2, Islanders 1 Jyrki Lumme scored at 1:30 in overtime to lift Vancouver over New York.

The Canucks' defenseman scored the winner when he split a pair of Islanders and lifted a backhander over goaltender Tommy Salo.

Mike Sillinger also scored for Vancouver. Marty McInnis scored for the Islanders.

Kings 5, Whalers 3 Vladimir Tsyplakov scored twice and Barry Potomski ended a personal 16-game goal-scoring drought with his third of the season as Los Angeles beat visiting Hartford.

Gijon Team Wins by Not Winning

Reuters

Sporting Gijon players won 9.5 million pesetas ($68,350) by betting that they would lose or draw in Sunday's Spanish league game against Oviedo. The match ended 0-0.

The 27 players are to give up doing the pools but are unlikely to face disciplinary action from the club or the Spanish soccer federation. The game was played after 13 of the other 14 games on the pools coupon had ended.

"The bet was decided by dice," said Francisco Luna, a Sporting forward.

The players have pointed out that they lost 500,000 pesetas each in victory bonuses. But they would have started the game knowing that they already stood a good chance of winning a large sum, though not how large it was likely to be.

In the state-owned soccer pools, known as the *quiniela*, participants must guess whether 15 games — the 11 in the first division plus four second-division games chosen at random — will finish in a home win, a draw or an away win.

The Spanish federation has no rules preventing players from taking part in the pools.

Fernando Garrido, head of press at the federation, described the episode Friday as "a curiosity, an anecdote."

He said: "We certainly don't imagine that this was done deliberately. The federation is not considering changing its rules."

■ Barcelona Beats Real Madrid

Barcelona came back from 2-1 down to beat arch-rival Real Madrid at home in a Spanish Cup fourth-round clash Thursday.

A late headed goal from Brazilian midfielder Giovanni gave Barcelona a 3-2 advantage for next week's second leg.

Ronaldo opened the scoring in the 13th minute. Moments later, Croatian striker Davor Suker replied, pouncing on a loose ball and blasting home the equalizer. Real Madrid took the lead in the 66th minute when Fernando Hierro rifled a free kick into the roof of the goal.

Three minutes later, Miguel Angel Nadal scored with a free kick for Barcelona. Giovanni came on as a substitute for Luis Figo and headed the winner from a corner 12 minutes from time.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	32	12	.727	—
New York	32	13	.711	½
Washington	22	21	.512	9½
Orlando	20	20	.500	10
New Jersey	12	30	.286	19
Philadelphia	10	33	.233	21½
Boston	9	32	.220	21½

CENTRAL DIVISION

	W	L	Pct	GB
Chicago	39	5	.886	—
Detroit	32	11	.744	6½
Atlanta	29	13	.690	9
Charlotte	25	19	.568	14
Cleveland	24	19	.558	14½
Milwaukee	21	22	.488	17½
Indiana	20	22	.476	18
Toronto	15	28	.349	23½

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Houston	32	12	.727	—
Utah	31	13	.705	1
Minnesota	20	24	.455	12
Dallas	14	28	.333	17
Denver	14	31	.311	18½
San Antonio	11	30	.268	19½
Vancouver	8	39	.170	25½

PACIFIC DIVISION

	W	L	Pct	GB
L.A. Lakers	33	12	.733	—
Seattle	31	13	.705	1½
Portland	25	20	.556	8
Sacramento	19	26	.422	14
L.A. Clippers	17	25	.405	14½
Golden State	17	26	.395	15
Phoenix	15	30	.333	18

THURSDAY'S RESULTS

Phoenix 21 31 25 24—101
New Jersey 27 27 24 35—113
P. Johnson 8-19 8-10 24, Person 7-15 2-2 20; N.J.: Gill 10-16 11-11 32, Reeves 7-15 5-6 25, Kittles 8-16 2-3 20, Rebounds—Phoenix 58 (Jo.Williams 10), New Jersey 53 (Jo.Williams 20). Assists—Phoenix 24 (Johnson 12), New Jersey 25 (Kittles, Reeves 9).

Minnesota 28 25 14 25—92
Dallas 21 22 14 25—82
M: Mitchell 8-11 5-6 21, Gugliotta 5-11 7-7 17; D: Gatling 11-21 7-9 29, Finley 5-11 1-1 12, Jackson 4-8 4-4 12. Rebounds—Minnesota 50 (Garnett 12), Dallas 51 (Gatling 10). Assists—Minnesota 15 (Porter 4), Dallas 18 (Harper 5).

Denver 33 31 23 26—113
Houston 30 27 29 23—109
D: Pierce 11-16 1-2 25, L.Ellis 8-15 6-6 23; H: Olajuwon 34-40 0-0 68, Mack 6-13 0-0 15. Rebounds—Denver 52 (Johnson 15), Houston 50 (Willis, Olajuwon 10). Assists—Denver 29 (Jackson 17), Houston 33 (Maloney 10).

Atlanta 22 28 31 23—96
Utah 33 21 27 21—102
A: Smith 13-25 10-11 41, Blaylock 4-17 5-6 15; U: Malone 14-25 4-4 32, Stockton 7-9 2-4 16. Rebounds—Atlanta 33 (Loehner 9), Utah 44 (Malone 15). Assists—Atlanta 13 (Blaylock 7), Utah 23 (Stockton 11).

Vancouver 28 22 24 28—94
L.A. Clippers 28 35 26 22—108
V: Reeves 10-19 5-6 25, Anthony 7-11 1-3 17; L.A.: Vaught 11-20 6-7 28, Martin 4-12 4-4 13. Rebounds—Vancouver 50 (Reeves 12), Los Angeles 58 (Vaught, Rod. Rogers 17). Assists—Vancouver 17 (Anthony 8), Los Angeles 20 (Martin 5).

Chicago 24 24 27 36—111
Sacramento 28 29 20 24—93
C: Jordan 11-19 9-10 32, Pippen 9-17 3-3 22; S: Richmond 12-26 1-2 28, Abdul-Rauf 9-15 0-0 19. Rebounds—Chicago 48 (Longley 11), Sacramento 48 (Smith 11). Assists—Chicago 24 (Pippen, Kukoc 6), Sacramento 29 (Richmond, Abdul-Rauf 6).

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	29	14	7	65	159	122
Florida	26	14	10	62	146	115
N.Y. Rangers	25	20	7	57	178	145
New Jersey	24	17	6	54	122	116
Washington	20	25	5	45	131	138
Tampa Bay	18	24	6	42	137	153
N.Y. Islanders	16	25	9	41	137	148

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Pittsburgh	27	18	5	59	184	154
Buffalo	26	19	5	57	144	132
Hartford	20	22	7	47	143	157
Montreal	19	25	8	46	162	183
Boston	18	25	6	42	141	173
Ottawa	15	23	10	40	130	143

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	29	17	4	62	153	120
St. Louis	25	23	4	54	159	161
Detroit	22	17	9	53	144	111
Phoenix	22	24	4	48	139	157
Chicago	18	26	8	44	130	139
Toronto	19	32	0	38	149	180

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	31	12	8	70	176	120
Edmonton	24	22	5	53	163	151
Vancouver	24	23	2	50	157	161
Anaheim	19	24	6	44	138	147
Calgary	18	26	6	42	126	151
Los Angeles	18	27	6	42	139	178
San Jose	18	26	5	41	130	157

THURSDAY'S RESULTS

St. Louis 2 1 2—5
Ottawa 1 1 0—2
First Period: O-Yzaksi 23 (Dackell, York) 2, St. Louis, Kravchuk 4 (Turgeon, Hull) 3, S.L.-Turgeon 13, Second Period: O-Duchesne 7 (Dackell, McEachern) 5, S.L.-Conroy 5 (Campbell, Macinnis) Third Period: S.L.-Hull 28 (Courtnall, Turgeon) 7, S.L.-Courtnall 13 (Hull, Turgeon) Shots on goal: S.L.- 15-9-8—32, O- 3-7-8—18. Goalies: S.L.-Casey. O-Rhodes.

Montreal 1 2 1—4
Tampa Bay 0 1 0—1
First Period: M-Rucinsky 13 (Damphousse, Bure) Second Period: M-Savage 17 (Carson, Quintal). 3, M-Rucinsky 14 (Damphousse, Bure) 4, T-, Cullen 14 (Burr) Third Period: M-Recchi 24. Shots on goal: M- 5-20-6—31. T- 8-13-15—36. Goalies: M-Thibault; T-Schwab.

Boston 0 1 0—1
Florida 2 1 0—3
First Period: F-Dvorak 13 (Sheppard, Gerpenlov) 2, F-Svoboda 9 (Sheppard) (pp). Second Period: F-Hull 6 (Gustafsson, Louis) 4, B-Bourque 9 (Oates, DiMaio) (sh). Third Period: None. Shots on goal: B- 14-6-18—38, F- 6-6-4—16. Goalies: B-Tallas. F-Vanbiesbrouck.

San Jose 3 3 0—6
Calgary 0 2 1—3
First Period: S.J.-Nazarov 16 (Rognarsson, Kozlov). 2, S.J.-Kozlov 11 (McSorley, Nazarov) (pp). 3, San Jose, Nazarov 11 (Kozlov, Friesen) Second Period: S.J.-Nolan 20, 5, S.J.-Nicholls 11 (Kozlov, Nazarov) 6, C-Iginla 15 (Ward, Gavey) 7, S.J.-Nolan 21 (Friesen) 8, C-Stillman 3 (Millen) (pp). Third Period: C-Gagner 14 (Tilley, Reichel) (pp). Shots on goal: S.J.- 4-10-6—20, C- 6-9-18—33. Goalies: S.J.-Belfour, C-Kidd, Ratzon.

N.Y. Islanders 0 0 1 0—1
Vancouver 0 1 0 1—2
First Period: None. Second Period: V-Sillinger 14 (Joseph, Courtnall) (pp). Third Period: New York, McInnis 15 (Armstrong, Berhuzzi) Overtime: 3, V-Lumme 5 (Mogilny) Shots on goal: New York 8-17-10-0—35. V- 6-9-5-2—22. Goalies: New York, Salo. V-McLean.

Hartford 2 0 1—3
Los Angeles 3 1 1—5
First Period: L.A.-Ferraro 17 (Laperriere, Norstrom) 2, L.A.-Potomski 3 (Smyth, Bylsma) 3, H-Sanderson 27 (Dineen, Cassels) 4, H-, Manderville 1 (K.Brown) 5, L.A.-Tsyplakov 12 (Khristich) Second Period: L.A.-Yachmenev 4 (Perreault) Third Period: L.A.-Tsyplakov 13 (Blake, Stevens) 6, H-Ranheim 7 (Burt) (sh). Shots on goal: H- 14-6-12—32, L.A.- 15-10-18—43. Goalies: H-Burke. L.A.-Dafoe.

SKIING

Lead results of men's World Cup old slalom on Thursday, in Schladming, Austria:

1, Alberto Tomba, Italy, 1 minute, 35.87 seconds (46.94-48.93); 2, Thomas Stangassinger, Austria, 1:36.03 (46.72-49.31); 3, Sebastien Amiez, France, 1:36.19 (46.87-49.32); 4, Thomas Sykora, Austria, 1:36.23 (47.51-48.72); 5, Kiminobu Kimura, Japan, 1:36.26 (47.38-48.88); 6, Markus Eberle, Germany, 1:36.59 (47.95-48.64); 7, Ole-Christian Furuseth, Norway, 1:36.78 (47.23-49.55); 8, Finn-Christian Jagge, Norway, 1:37.00 (47.35-49.65); 9, Rene Mielusz, Slovenia, 1:37.26 (48.51-48.75); 10, Fabrizio Tescari, Italy, 1:37.28 (48.55-48.73).

WORLD CUP SLALOM STANDINGS: 1, Thomas Sykora, 666; 2, Thomas Stangassinger, 490; 3, Sebastien Amiez, 328; 4, Alberto Tomba, 292; 5, Kjetil-Andre Aamodt, Norway, 242; 6, Kiminobu Kimura, 239; 7, Tom Stiansen, Norway, 238; 8, Mario Reiter, Austria, 222; 9, Finn-Christian Jagge, 194; 10, Ole-Christian Furuseth, 186

TENNIS

TORAY PAN PACIFIC

WOMEN'S SINGLES QUARTERFINALS

Steffi Graf (1), Germany, def. Iva Majoli (5), Croatia, 6-2, 6-3; Brenda Schultz-McCarthy (8), Netherlands, def. Conchita Martinez (3), Spain, 6-1, 6-0; Anke Huber (4), Germany, def. Lindsay Davenport (6), United States, 6-3, 4-6, 6-2; Martina Hingis (2), Switzerland, def. Amanda Coetzer, South Africa, 6-0, 6-1.

DOUBLES

Kristie Boogert, Netherlands, and Irina Spirlea, Romania, def. Lisa Raymond, U.S., and Rennae Stubbs, Australia (4), 6-2, 6-2.

SHANGHAI OPEN

MEN SINGLES

QUARTERFINALS

Leander Paes, India, def. Jeff Tarango, U.S. (4), 6-3, 2-6, 6-3; Brett Steven, New Zealand, def. Gerard Solves, France, 6-7 (5-7), 6-2, 6-2; Jan Kroslak, Slovakia (7), def. Jerome Golmard, France, 6-2, 3-6, 6-3.

CRICKET

DAY-NIGHT INTERNATIONAL

SOUTH AFRICA VS. INDIA

THURSDAY, IN PIETERMARITZBURG

South Africa A innings: 251-6 (50 overs)
India innings: 94.5 (24.2 overs)
match abandoned due to rain

SOCCER

SPANISH CUP

FOURTH ROUND, FIRST LEG

Barcelona 3, Real Madrid 2

TRANSITIONS

BASEBALL

MAJOR LEAGUE BASEBALL

AMERICAN LEAGUE

BALTIMORE —Agreed to terms with INF Jeff Reboulet on minor-league contract.

BOSTON —Agreed to terms with 1B Reggie Jefferson on one-year contract.

KANSAS CITY —Agreed to terms with LHP Chris Haney on one-year contract.

NATIONAL LEAGUE

CINCINNATI —Agreed to terms with OF Deion Sanders on one-year contract.

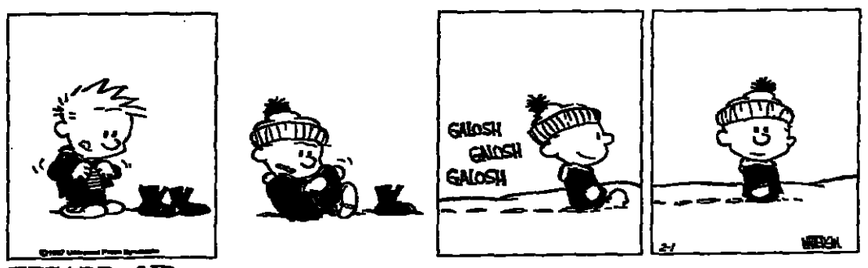
COLORADO —Agreed to terms with RHP Steve Reed on one-year contract.

HOUSTON —Agreed to terms with RHP John Hudek on one-year contract.

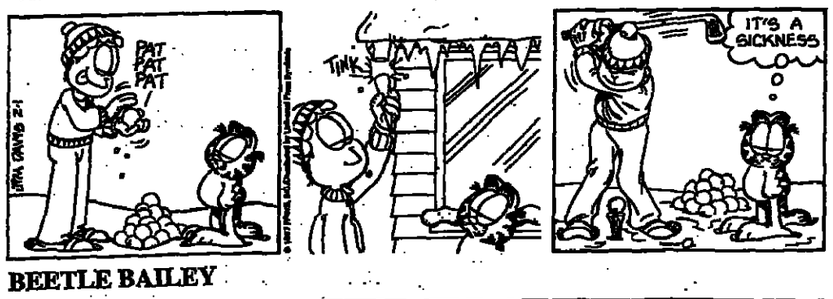
DENNIS THE MENACE

PEANUTS

CALVIN AND HOBBES



GARFIELD



WIZARD of ID

BEETLE BAILEY

THE FAR SIDE

Bernie's sense of humor was seldom appreciated among the other bears.

DOONESBURY

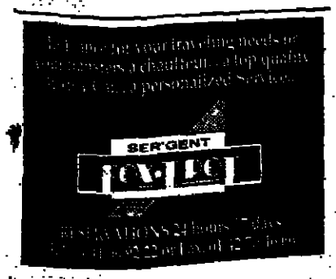
JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: "" (Answers Monday)

Yesterday's Jumbles: BROIL GLOVE HUNTER WHENCE
Answer: Where he ended up when he went prone — IN THE HOLE



BLONDIE

DAVE BARRY

Commercials You Hate Most

MIAMI — Whew! Do I have a headache! I think I'll take an Extra Strength Bufferin Advil Tylenol with proven cavity fighters, containing more of the lemon-freshened Borax that is recommended by doctors and plaque fighters for those days when I am feeling "not so fresh" in my personal region!

The reason I'm feeling this way is that I have just spent six straight days going through the thousands of letters you readers sent in when I asked you to tell me which advertisements you don't like. It turns out that a lot of you really, REALLY hate certain advertisements, to the point where you fantasize about acts of violence. For example, quite a few people expressed a desire to kill the stuffed bear in the Snuggle fabric-softener commercial. "Die, Snuggle Bear! Die!" is how several put it.

Likewise, there was a great deal of hostility expressed, often by older readers, toward the relentlessly cheerful older couples depicted in the competing commercials for Ensure and Sustacal. These commercials strongly suggest that if you drink these products, you will feel "young," which, in these commercials, means "stupid."

□

Some other personalities who aroused great hostility were Sally Struthers; the little boy who lectures you incessantly about Welch's grape juice; the young people in the Mentos commercials (as Rob Spore put it, "Don't you think those kids should all be sent to military school?"); everybody in all Calvin Klein commercials ("I am sure they are what hell is really like," observed Robert E. Waller); the little girl in the Shake 'N Bake commercial — Southerners REALLY hate this little girl — who, for what seemed like hundreds of years, said "And I helped!" but pronounced it "An ah hayulpt!" (Louise Sigmund, in a typically restrained response, wrote, "Your mother shakes chickens in hell"); Kathie Lee Gifford (Shannon Saar wrote, "First person to push Kathie Lee overboard gets an all-you-can-eat buffet!"); the smug man in the Geritol commercial who said, "My wife . . . I think I'll keep her!" (the wife smiled, but you just know that one day she will put Liquid Drano in his Ensure); the bad actor pretending to be Dean Witter in the flagrantly fake "old film" commercial that's supposed to make us want to trust them with our money; the woman in the Pantene commercial who said, "Please don't hate me because I'm beautiful" (as many readers responded, "O.K., how about if we just hate you because you're obnoxious?"); and of course the Pillsbury Doughboy ("I would sacrifice my microwave to watch him inside on high for 10 hours," wrote Gene Doerfler).

Also, I am pleased to report that I am not the only person who cannot stand the sight of the Infiniti Snot — you know, the guy with the dark clothes and the accent, talking about Infiniti cars as though they were Renaissance art. As Kathleen Schon, speaking for many, put it: "We hate him so much we wouldn't buy one of those even if we could afford it, which we can't, but we wouldn't buy one anyway."

Speaking of car commercials, here's a bulletin for the Nissan people: Nobody likes the creepy old man, O.K.? Everybody is afraid when the little boy winds up alone in the barn with him. This ad campaign does not make us want to purchase a Nissan. It makes us want to notify the police. Thank you.

But the car-related ads that people hate the most, judging from my survey, are the dealership commercials in which the announcer SHOUTS AT YOU AS THOUGH YOU ARE AN IDIOT and then, in the last three seconds of the ad reads, in very muted tones, what sounds like the entire U.S. tax code. Hundreds and hundreds of people wrote to say they hate these commercials. I should note that one person defended them: His name is George Chapogas, and he is in — of all things — the advertising business. Perhaps by examining this actual excerpt from his letter, we can appreciate the thinking behind the shouting ads:

"I write, produce and VOICE those ads. Make a damn good living doing it, too. Maybe more than you even. And would you like to know why? Because they move metal, buddy."

Thanks, George! I understand now.

Well, I'm out of space. Tune in next week, and I'll tell you which commercial the readers hated the most.

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Thomas Mallon's Fourth Dimension

By Francis X. Clines
New York Times Service

WASHINGTON — Thomas Mallon is busy arranging a fresh love affair for one of the great philanderers of Washington political life, a big, charming man with that power politician's grin who crests scandal with the self-confidence of every victor who has ever reigned here.

"The historical figure that I'm libeling in this novel, whose ghost I'll fear meeting up with, is the now completely forgotten figure of Roscoe Conkling," said the 45-year-old writer, who diligently uses scholarship on this city the way he might apply a clam rake to rich muck, then fashions the succulent gatherings into fiction.

"Conkling was the senator from New York who was this great handsome man and a real brute," said Mallon, fresh from another morning at the National Archives deep-dredging the recorded Washington stuff of a century ago. "He was THE power in the Republican Senate and really the boss of New York. He owned Chester Arthur. He controlled the Custom House in New York. He was a great womanizer whose most famous affair was with Kate Chase Sprague, Salmon P. Chase's daughter who —"

But wait. There is so much that is refreshing in Mallon's backward-accounting ability — a reminder that there is nothing new, absolutely nothing, in the current sensations of this city — that he himself deserves a moment of pause in the here and now.

With his new novel, "Dewey Defeats Truman" (Pantheon), which is just out, Mallon is already elsewhere than the 1940s setting where his readers are luxuriating in that work, a novel about a small-town love triangle in Owosso, Michigan, Thomas Dewey's birthplace.

There, the writer has his resident characters, so certain of favorite-son triumph, awake from their "collective dream" the morning after President Harry Truman's upset defeat of Dewey.

"I saw the town sort of shimmering on the edge of romance," said Mallon, who came upon this teasing notion in writing a nonfiction magazine article about small-town America. "I was enchanted by the place. There must have been something both comic and poignant the morning after, I thought."

As a writer, Mallon darts across time. He is best known for his 1994 novel "Henry and Clara," a work set in Lincoln's Washington that impressed critics with its mix of careful research and fictional liberty. In it, he told for the first time the full tragedy of the handsome young couple invited by the Lincolns to that Ford's Theatre box on the infamous night of assassination. It is an overlooked tale, sad beyond Lincoln, of love withering to madness and murder. "I'll probably never find another story like that, but it was so doom laden," the novelist said, in explaining how welcome it was afterward to turn to the dreamy innocence of Dewey's Owosso.

Janet Hamlin/The New York Times

Mallon, author of "Dewey Defeats Truman."

It is the "fullness of history, the amplitude of it," that convinces Mallon he will never suffer writer's block. "Anybody who thinks the federal government can't do anything right should go to the National Archives. You can spend a morning there stumbling around and still come up with half a dozen possible novels that you could get up and running very quickly."

When he bothers to spy upon the present, Mallon's eye for detail stays keen. "Did you watch Dick Morris on TV the other night?" he asked, referring to the former Clinton political tactician who fell lecherously from grace and is now hawking his tell-all White House memoir. "At one point, they showed him at his desk and you could glimpse behind him two framed pictures, both of Time magazine covers — one of him with the president, and one after his fall, with his wife! I couldn't believe it. What sort of a guy chooses that display?"

Mallon has a pretty good answer for such a question but prefers to offer it in some other time frame than the present. "History is so much sadder than one's own life," said the writer, who used a Harvard Ph.D. in English to teach at Vassar for 12 years, then took a chance on writing as a living. "My life is pretty thin gruel for fiction," he said, speaking as novelist and book columnist for Gentleman's Quarterly. "So many novelists write about things that are right under their noses that we have all these novels about New York media life and college life."

The way Mallon works, it's not that his ego is absolutely denied; rather, it's "refracted," to use one of his favorite words, in various imagined lives in time elsewhere. A busy nonfiction writer, too, he specializes in science pieces on astronomy and cosmology, time and space. "Time is the great mystery," he said. "Time, more than anything else. More than any emotion. More than love. Time is the essential human mystery."

Small wonder that he is lately busying himself here in the 1870s, rummaging in a kind of researcher's nirvana through troves of archival ledgers and letters for his Conkling-era novel.

As he is plotting it, the new book will arch beyond power-lusting to the nation's early fascination with astronomy in a highly anxious, uncertain time, and to the actual discovery of the moons of Mars (named Anxiety and Fear) from the Government Naval Observatory built then in Foggy Bottom as one of the wonders of the city.

Among the novel's ingredients collected thus far by Mallon: that ordinary citizens sampled the stars at night at the observatory; that three successive observatory superintendents developed malaria from the mysterious "miasma" (actually from the mosquitoes of Foggy Bottom); that young female clerks called "computers" aided the observatory scientists; that a woman on Sixth Street named Madame Costello advertised "planet readings" that were popular as a seer device in the populace's parallel craving for astrology.

Mallon apologized for these early shards of plot. "Cynthia is my new heroine," he nevertheless continued, trying to show how one writer's work obsession proceeds. "She is in love with this tragic malarial astronomer at the observatory. But she's also being pursued by the terrible but magnetic Conkling. She consults Madame Costello about her love life."

The novelist smiled at the past from the present. "So she's involved with the planets every which way," he said, noting that the novel was tentatively titled "Two Moons."

"This novel is about time," Mallon said, returning to his preferred dimension. "The notions of the speed of light and the vast distances of space were just being established in that period. Visionary scientists were beginning to glimpse the way time and space fold over on each other. And to me, that's the heart of it."

ALL IN THE FAMILY

The Poet, the Blues and the Firespitters

By Mike Zwerin
International Herald Tribune

PARIS — Jayne Cortez is the sort of poet who can get up in the morning and write verses before breakfast and before going to work out in the gym or jog. Then she does her chores, goes to the deli, whatever, and comes back and writes some more poetry.

She prefers to write by hand. Involving less words, poetry does not really require a machine to process them. Anyway, she does not like a machine to get between her and her words.

Her band the Firespitters had just appeared on a big-time television show in Paris during a recent European tour. Cortez was relaxed and pleased and had the time and the distance to laugh about her self-discipline and how she likes to hit the ground writing back home in New York. She writes poetry, recites it, teaches it and sings it.

The Firespitters have released an album called "Taking the Blues Back Home" on Ornette Coleman's label Harmolodic (distributed by Verve). Coleman's family is at the core of this electro-acoustic swinging poetic ensemble. Denardo Coleman, Cortez's son with ex-husband Ornette, is the drummer, as well as their manager. Three members are veterans of Ornette's influential Prime Time band.

Making music with one's progeny can produce a sense of creativity akin to birth itself. Cortez smiles and says: "It's such a pleasure for Denardo and I to be playing together. He's a talking drummer. He listens, he responds, he can say anything I can say and he doesn't hold back. He'll experiment. Some musicians are intimidated working with a poet. Denardo just does it. We are able to play off the audience as well as each other."

A snow leopard does not know
it's on the endangered species list.

She wanted to take the blues, an endangered species, back home where it can thrive. "I'm the owner of the blues," she recites. By "back home" she means Africa. Her Afrocentrism is long-standing and strong. She put the Firespitters together in 1980 so that she could experiment with music on an equal level with the spoken word, not as background.

Christian Rose

Poet Cortez: "You are the text."

The poetry may be the focus, but the musicians relate to each poem as part of a conversation. No two performances are the same. Whatever comes, she lets it stay. She does not memorize, she reads. There are too many words to memorize. Memorizing, she would be a prisoner of words. Reading, she can skip and skim and cut-up at will. She rarely reads the same way twice, and her images roar any way she goes:

The bishops are not
forcing themselves to eat bark
The security exchange commission
members
are sick from
too many chocolate chip cookies.

She reads the above accompanied by a back-beat and detuned electric guitars "full of inlaid shark fins apocalyptic blood-stained finger boards," as she wrote in her song "The Guitars I Used to Know."

She grew up with musicians in Los Angeles. The Bassist Richard Davis was on her first album. She expanded musical experimentation with Harold Tapscott, Ed Blackwell, Sam Rivers, Julius Hemphil and others.

She taught literature at Rutgers. She performed at "War Against War" poetry events for Unesco in Paris and Milan, and the World Conference on Women in Beijing. There was a seven-city poetry tour of Brazil. She has performed on four continents. Her poems have been translated into 28 languages.

The Firespitters will be in Paris in March for the Banlieues blues festival. Accenting Afrocentric consciousness, Cortez has played a significant role in the current rap-fueled revival of interest in poetry-and-jazz:

"As kids we rapped all the time. We played the dozens, like in any Black neighborhood. It was a part of growing up. Who's going to tell the wildest joke? Who's going to signify? It's a verbal contest. You don't have a text. You *are* the text."

Don't write
another word
about wanting
to write
another word
it's useless

"Somebody says a word," she continues, "and you make something else out of that word. Then somebody else makes something else out of what you made of it. You go on like that. We were always sounding on each other.

"The rappers added new technology, and a new slot. The computer-generated sound can get boring and some of their messages are questionable, but teenagers like it. It's teenager music. They're kids. Some of them might grow up."

In her adult love song to the Prince of Silence, his trumpet is "covered in a mask of New York hipness & fame"

with another hairdo
another change of aspirations . . .
that trumpet
has a throat
which sits outside
of its body . . .
the militant mellow melodic
magical miraculous minimalist Miles
Davis trumpet
that trumpet.

PEOPLE

NO, that's NOT the way it was. **Walter Cronkite** says he considered suing when he found a fabricated tale and "spitting" image of himself on **Tim Hughes's** "Walter Cronkite Spit in My Food" Internet home page. The former CBS anchor said he was stunned several months ago when he spotted the page and an accompanying fable about a tipsy, cussing Cronkite accosting Hughes and his wife at a Florida restaurant. "I punched up Cronkite just to see what was on the Internet and stumbled on this scurrilous article," he said. "The whole thing is just so outlandish — I don't think I've ever spit in my life." It was a joke, said Hughes, who has now pulled the page, posting in its place a notice saying, "It was never my intention to hurt anyone."

□

A man who says he lived with **Oprah Winfrey** and did drugs with her for four months in 1985 is suing her for allegedly keeping him from telling his story, a newspaper reported Friday. **Randolph Cook** of Columbus, Ohio, is seeking $20 million in punitive damages for slander and emotional distress. The Columbus Dispatch said Cook filed the suit on Jan. 16 in U.S. District Court in Chicago, where Winfrey's show is based. Cook, 39, claims in the lawsuit that he and the talk-show host lived together in Chicago from January to May 1985, and used drugs together during that period. He claims that Winfrey blocked him from selling the rights to his story. Winfrey denies all of the allegations in the lawsuit.

□

Whoopi Goldberg as Broadway diva? Well, sort of. "It's the last place you'd expect to find me," said Goldberg, after singing — speaking, really — her way through two songs from the musical, "A Funny Thing Happened on the Way to the Forum." Goldberg performed before an invited audience at Broadway's St. James Theatre, where she will replace Nathan Lane on Feb. 11 in the revival.

□

Annette Bening and **Warren Beatty** are parents again. **Isabel Ira Ashley** was born Jan. 18 at an undisclosed Los Angeles hospital, and mother and child are doing great, Bening's publicist says. The actor and actress have another daughter, 4-year-old **Kathlyn**, and a son, 2-year-old **Ben**.

Marty Lederhandler/The Associated Press

Whoopi Goldberg getting ready for "A Funny Thing. . ." on Broadway.

□

Paula Barbieri, **O.J. Simpson's** former girlfriend, will reportedly get big bucks to write a book. Saying it was impressed by Barbieri's "honesty and sensitivity," Little, Brown and Co. said it would publish her memoir. The publisher, which also put out Simpson's book "I Want To Tell You," did not say how much the former model would be paid. But the New York Post reported she would get $3 million.

□

Bill Gates will be in Paris next week to open an exhibit of **Leonardo da Vinci's** scientific notebook, which he bought a couple of years back for $30.8 million. Gates, the head of Microsoft Corp., will join the president of the French Senate, **Rene Monory**, on Wednesday to inaugurate "Leonardo da Vinci, the Leicester Codex, Art and Science" on Wednesday. The 72-page compilation of inventions will be displayed page by page at the Senate building in the Luxembourg Gardens until March 16. The Codex was acquired by **Thomas Coke**, First Earl of Leicester, in 1717. In 1980 it was purchased by the businessman **Armand Hammer** and renamed the Codex Hammer. When Gates bought the manuscript in 1994, he restored its previous name.

□

Ray Bradbury has some advice about the Internet: "Stay away from it." The global computer network is great for some things, like finding information, the writer admitted. But he scoffed at its ability to let people communicate. "Who do you want to talk to? All those morons who are living across the world somewhere?" he said. "You don't even want to talk to them at home."

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France	0-800-99-0011
Germany	0130-0010
Greece◆	00-800-1311
Ireland	1-800-550-000
Italy◆	172-1011
Netherlands◆	06-022-9111
Russia◆▲(Moscow)▮	755-5042
Spain◇	900-99-00-11
Sweden	020-795-611
Switzerland◆	0800-89-0011
United Kingdom▲	0800-89-0011
MIDDLE EAST	
Egypt◆ (Cairo)†	510-0200
Israel	177-100-2727
Saudi Arabia◇	1-800-10
AFRICA	
Ghana	0191
Kenya▲	0-800-10
South Africa	0-800-99-0123

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